UNITED STATES
DEPARTMENT OF THE INTERIOR
Defense Minerals Exploration Administration

OFFICIAL DOCKET FILE

Terminated (~~or cancelled~~) without certification. DMEA No. 2255

This is the official contract file containing all official records of the project. Duplicate material has been removed. The records contained in the files are checked and are arranged in this manner:

Left Side

Certificate of Audit (Final).

Interim Audit(s).

✓ Report of Review.

Termination Notice or Agreement.

Recision Notice.

Assignment of Contract.

✓ Contract Amendments (latest on top).

✓ Contract with all exhibits and annexes.

Owner's Consent to Lien.

✓ Subordination Agreement.

✓ Leases and assignments of leases.

✓ Application and attachments.

✓ Schedule of Collections.

✓ Operator's monthly reports and all attachments (latest on top).

Right Side

✓ Project summary.

✓ Work completed analysis.

All other material is filed in chronological order with correspondence including the following reports as checked:

✓ Final Field Team Report. (Tab)

✓ Operator's Final Report.

✓ Interim Reports.

✓ On-site Exam Report(s). (Tab)

Settlement Sheets.

If additional folders are required because of volume of records, show folder numbers and contents below:

Maps in folder number _____

Operator's Monthly Reports in folder number _____

gla

Reviewer's Initials

7973

DEFENSE MINERALS EXPLORATION ADMINISTRATION
CONTRACT ADMINISTRATION AND AUDIT DIVISION

REPORT OF REVIEW

I have reviewed the Monthly Reports of:

Frank W. Phillips, John Phillips, & Lewis Aldridge

d/b/a Toe River Mining Company

Spruce Pine, North Carolina

pertaining to Contract No. Idm-E324, Docket No. DMEA-2255, including Amendments Nos. 1 and 2, for the months of August, 1952 to October, 1952, inclusive, covering a project for the exploration of mica.

My review included an examination of the Monthly Reports (Forms MF-104) and supporting documents attached thereto, comparison of the costs claimed with the contract and pertinent schedules, consultation with the Executive Officer of the Regional Field Team, and a determination of the reasonableness and propriety of the costs.

This review was made in lieu of a final audit of the Operator's accounts and records for the following reasons:

(a) the administrative cost to the Government of an audit would be excessive in relation to the estimated amount of possible disallowances thereunder;
(b) the Monthly Reports were supported by documentary proof of the costs incurred under the contract;
(c) a major portion ($2,400.00) of the costs were under the contract provision for payment by the Government on the basis of agreed estimated costs of units of work actually performed; and
(d) a large portion ($1,500.00) of the costs covered bulldozing at hourly rates.

The review disclosed the following facts in regard to the amount paid or to be paid the contractor:

Total cost as billed by Contractor		$ 4,410.00
Exceptions:		
By DMEA Finance Officer	$ -0-	
Herewith (schedule attached)	34.00	34.00
Total Accepted Cost		$ 4,376.00

The contract calls for a 90 percent participation of exploration expenses by the United States Government. Therefore, payment to the contractor by the Government in the amount of Three thousand nine hundred thirty-eight and 40/100 Dollars,

— $3,938.40 —

is considered valid and proper.

E. D. Talbert

April 14, 1953

E. D. Talbert, Auditor

SCHEDULE OF EXCEPTIONS

Frank W. Phillips, John Phillips & Lewis Aldridge
d/b/a Toe River Mining Company IBEA-2255 Idm-2324

Exhibit "A" of the contract, as amended, provided for trenching on an actual cost basis and test pitting and drifting on the basis of agreed estimated unit costs in lieu of actual costs.

The Operator charged the following items on an actual cost basis whereas they could be used only on work (test pits) covered by the unit costs:

August 1952 MF-104:

300 L. ft. ½" cable	$30.00
16 ½" cable clamps	4.00
Total	$34.00

Sas

CONTRACT AMENDMENT NO. 2

DMEA-2255, Idm-E324, Toe River Mining Company

PINE KNOB MINE, Macon County, N. C.

Contract Docket No. DMEA-2255, Idm-E324, dated 23rd May 1952, between the UNITED STATES OF AMERICA and FRANK W. PHILLIPS, JOHN PHILLIPS, and LEWIE ALDRIDGE, Partners, d,b,a, TOE RIVER MINING COMPANY, Spruce Pine, North Carolina is hereby amended as follows:

1 - Exhibit "A" is amended to provide for, under Description of the Work - Stage II, sinking one 5-foot by 7-foot test pit to a depth of 25 feet and driving not more than 70 feet of drifts from the test pit to explore the mica-bearing portion of the pegmatite.

2 - Exhibit "A" is amended to provide for, under Estimated Cost of the Project, Stage II, the following cost:

25 feet of 5' x 7' test pit @ $40/ft.	$1,000.00
70 feet of drift @ $20/ft	1,400.00
Total estimated cost of Stage II.....	$ 2,400.00*

* Note: The Government will contribute to this cost on the basis of the estimated unit cost in lieu of actual cost.

These changes are made because evidence uncovered under Stage I indicate that only one test pit was necessary and that drifting was necessary to explore the character of the mica-bearing pegmatite along its strike.

This amendment shall not be construed to increase the estimated total cost of the project, the aggregate total amount which the Government may be obligated to pay, or the percentage of the costs which the Government may be obligated to pay, under the provisions of Article 8 of the contract.

September 1, 1952

TOE RIVER MINING COMPANY

By. John Phillips

John Phillips, Manager

THE UNITED STATES OF AMERICA

By W. A. Beck

Wm. A. Beck, Acting Executive Officer
DMEA-Field Team, Region 7

DEPARTMENT OF THE INTERIOR
Defense Minerals Administration
RECEIVED
OCT 24 1952

zm

Government Copy
Mica

CONTRACT AMENDMENT
NO. I

DMEA-2255, Idm-E324, Toe River Mining Company

Pine Knob or Kelly Mine

Macon County, N. C.

Contract Docket No. DMEA-2255, Idm-E324, dated 23rd May 1952, between THE UNITED STATES OF AMERICA and FRANK W. PHILLIPS, JOHN PHILLIPS, and LENIE ALDRIDGE, d,b,a, TOE RIVER MINING COMPANY, Spruce Pine, North Carolina is hereby amended as follows:

Item 3 is amended to provide that the Operator may begin work within 60 days from the date of contract, instead of 30 days, and to complete the project within a period of five (5) months, instead of four (4) from date of contract.

This amendment shall not be construed to increase the estimated total cost of the project, the aggregate total amount which the Government may be obligated to pay, or the percentage of the costs which the Government may be obligated to pay, under the provisions of Article 8 of the contract.

Dated: June 17, 1952.

THE UNITED STATES OF AMERICA

By Robert A. Laurence

Robert A. Laurence, Executive Officer
DMEA-Field Team, Region VII

TOE RIVER MINING COMPANY

By John Phillips
Mgr.

DOCKET NO. DMEA-2255
PINE KNOB OR KELLEY MINE

ANNEX I

Beginning in the line of Grant 3313 on the waters of Ellijay Creek at a chestnut, 24 poles from the beginning of said Numbers and runs S 60 E 30 poles to a Spanish oak being the N.W. corner of No. 3313. Then S 38 E 40 poles to a Spanish oak, then N 60 W 94 poles to stake in said line, then near north 8 poles to a Spanish oak near the falls of a branch. Then near east with the top of a ridge 16 poles to a Spanish oak, then to the beginning containing about seven (7) acres more or less.

MF-200
(June 1951)
(Revised Feb. 1952)

DOCKET NO. DMEA 2255

COMMODITY Mica

GOVERNMENT'S COPY

Idm-E324

UNITED STATES OF AMERICA
DEPARTMENT OF THE INTERIOR
DEFENSE MINERALS EXPLORATION ADMINISTRATION

EXPLORATION PROJECT CONTRACT [1]

IT IS AGREED this 23rd day of May, 1952, between the United States of America, acting through the Department of the Interior, Defense Minerals Exploration Administration, hereinafter called the "Government," and [2] Frank W. Phillips, John Phillips, and Lewie Aldridge, partners d.b.a. Toe River Mining Company c/o John Phillips, Manager Spruce Pine, North Carolina

hereinafter called the "Operator," as follows:

ARTICLE 1. *Authority for contract.*—This agreement is entered into under the authority of the Defense Production Act of 1950, as amended, pursuant to DMEA Order 1 entitled "Government Aid in Defense Exploration Projects."

ARTICLE 2. *Operator's property rights.*—With respect to that certain land situated in the State of North Carolina, County of Macon, described as follows: [3]

See Annex I attached to and made a part hereof.

the Operator represents and undertakes: [4]

(*a*) ~~That the Operator is the owner in possession and entitled to possession, and that the property is subject only to the following claims, liens or encumbrances, a copy of which the subordination agreement of the lender is attached:~~

Landlord's Supordination Agreement

(*b*) That the Operator is a lessee, in possession and entitled to possession, and the ~~owner's consent to this~~ lease is attached.

The Operator shall devote the land and all existing improvements, facilities, buildings, installations, and appurtenances to the purposes of the exploration project without any allowance for the use, rental value, depreciation, depletion, or other cost of acquiring, owning, or holding possession thereof.

ARTICLE 3. *Exploration project.*—The Operator, within thirty days from the date of this contract shall commence work on a project of exploration for [5] mica

in or upon the described land; and shall bring the project to completion within a period of 4 months from the date of this contract. The work to be performed is more fully described in Exhibit "A" attached hereto, which, with any maps or drawings thereto attached, are made a part of this contract. The Government will contribute to the cost of this work as hereafter provided.

ARTICLE 4. *Performance of the work.*—(*a*) *Operator's responsibility.* The work shall be performed efficiently, expertly, in a workmanlike manner, in accordance with good mining standards and State regulations for health and safety and for workmens' compensation and employers' liability insurance, with suitable and adequate equipment, materials, and labor, to bring the project to completion within the time fixed. To the extent specified in Exhibit "A," attached hereto, the work may be performed by independent contractor or contractors; and work not specified in Exhibit "A" for performance by independent contractor may nevertheless be so performed upon amendment of Exhibit "A," as agreed to by the parties, to state the work to be so performed and the estimated unit costs thereof, as provided hereafter.

(*b*) *Independent contracts.*—Any independent contract for the performance of work shall be on a unit-price basis (such as per foot of drilling, per foot of drifting, per hour of bulldozer operations, per cubic yard of material moved), or on some basis that will indicate the amount due for work performed at any stage of the work to be performed under such independent contract. The Government shall not be nor be considered to be a party to any such independent contract, and the Government's right to terminate the exploration project contract under any of its provisions shall not in any manner be affected by reason of any such independent contract. If the reference in Exhibit "A" to any such independent contract states that the Government's approval thereof is required, the Government may refuse to participate in the cost thereof unless and until it has given its written approval of the independent contract.

(*c*) *Government may inspect.*—The Government shall have the right to enter and observe and inspect the work at all reasonable times, and the Operator shall provide the Government with all available means for doing so. The Government may consult with and advise the Operator on all phases of the work.

ARTICLE 5. *Estimated costs of the project.*—A statement of the estimated cost of the project is set forth in Exhibit "A," attached hereto. Except insofar as any item of requirement or the estimated cost thereof set forth in Exhibit "A" is there or elsewhere designated as an "allowable maximum," such items of requirement and of related cost are estimates only, and may be exceeded to the extent that the Government may from time to time approve for the most economic and beneficial performance of the work within the limitation of the total aggregate estimate of costs. The Government's approval of any such excess over the estimate for an item of requirement or related cost will be signified by its approval and payment of any invoice or voucher for payment which expressly calls attention to such excess. Items expressly designated in Exhibit "A" or elsewhere as "allowable maximum," and the total aggregate estimated cost are limitations, and any excess therein will be for the sole account of the Operator in which the Government will not participate.

ARTICLE 6. *Allowable costs of the project.*—(*a*) The costs of the project in which the Government will participate are limited to the following:

(1) *Independent contracts.*—Payments to independent contractors under independent contracts listed in Exhibit "A." The estimated cost of any work to be performed under an independent contract is or shall be included in the estimate of costs in Exhibit "A" in terms of the estimated numbers of units of work to be performed, the estimated amount to be paid per unit, and the estimated total amount to be paid to the independent contractor, and such estimates shall be allowable maximums above which the Government will not contribute. Regardless of the provisions of any such independent contract, the Government will participate in the payments to the independent contractor only on account of work actually performed and that conforms with the provisions of the exploration project contract, and only to the extent that the Government deems the unit prices for the work under the independent contract to be reasonable and necessary. No such independent contract shall have the effect of increasing the estimated total cost of the exploration project contract nor the maximum amount which the Government will pay as provided in the exploration project contract.

(2) *Labor, supervision, consultants.*—Labor, supervision and technical services (including engineering and geological consultants), a schedule of which is included in the estimate of costs set forth in Exhibit "A." The requirements and related estimated costs for supervision and technical services are allowable maximums.

(3) *Operating materials and supplies.*—Necessary materials and supplies including items of equipment costing less than $50.00 each, and power, water, and fuel, a schedule of which is included in the estimate of costs in Exhibit "A."

(4) *Operating equipment.*—Any operating equipment to be rented or purchased, or which is owned and will be furnished by the Operator, with the estimated rental, purchase price, or the allowable depreciation, as the case may be, a schedule of which is included in Exhibit "A." Any items listed as owned and to be furnished by the Operator, and related initial allowable depreciation, are allowable maximums.

(5) *Rehabilitation and repairs.*—Any necessary initial rehabilitation or repairs of existing buildings, installations, fixtures, and movable operating equipment, now owned by the Operator and to be devoted to the purposes of the exploration contract, a schedule of which is included in the estimate of costs set forth in Exhibit "A." These items are allowable maximums.

(6) *New buildings, improvements, installations.*—Any necessary buildings, fixed improvements, or installations to be purchased, installed, or constructed for the purposes of the exploration work, with the estimated cost of each, a schedule of which is included in the estimate of costs in Exhibit "A." All of these items are allowable maximums.

(7) *Miscellaneous.*—Repairs to and maintenance of operating equipment (not including initial rehabilitation or repairs of the Operator's equipment), analytical work, accounting, workmen's compensation and employers' liability insurance and payroll taxes.

(8) *Contingencies.*—Such other necessary, reasonable direct costs of performing the exploration work, within the limit of the total aggregate estimate of costs, whether or not included in any schedule of costs in Exhibit "A," as may be approved by the Government in the course of the work, as indicated by its approval and payment of invoices and vouchers.

[1] If sufficient space is not provided in any blank, use an extra sheet of paper and refer to it in the blank.
[2] State name, address, and nature of organization if any.
[3] Give legal description or enough to identify the property, particularly excluding any land or interest therein to which the Government's lien is not to attach or the production from which is not to be subject to the Government's percentage royalty.
[4] Strike out the provision not applicable.
[5] Name of mineral or minerals.

(*b*) The Government's payments in all cases will be based on actual, necessary costs (including contract unit prices) incurred not in excess of any "allowable maximum," and not in excess of the fixed percentage of the total aggregate estimated cost. Costs will be considered to be incurred only as they are or become due and payable.

(*c*) No items of general overhead, corporate management, interest, taxes (other than payroll and sales taxes) or any other indirect costs, or work performed or costs incurred before the date of this contract, shall be allowed as costs of the project in which the Government will participate.

ARTICLE 7. *Reports, accounts, audits.*—(*a*) *Progress reports.* The Operators shall provide the Government with monthly reports of work performed and costs (including contract unit prices) incurred under the contract, in quintuplicate (five copies), upon forms provided by the Government. These progress reports shall be certified by the Operator, and shall constitute both the Operator's invoice of costs incurred on the project during the period covered by the report and his voucher for repayment by the Government, unless the Government requires the use of a standard voucher form with invoice attached. Progress reports shall include surface and/or underground engineering-geological maps or sketches showing the progress of the exploration, with assay-reports on samples taken concurrently with the advance in mineralized ground.

(*b*) *Final report.*—Upon completion of the exploration work or termination of the contract the Operator shall provide the Government with an adequate geological and engineering report, in quintuplicate (five copies), including an estimate of ore reserves resulting from the exploration work.

(*c*) Compliance with requirements.—If, in the opinion of the Government, any of the Operator's reports are insufficient or incomplete, the Government may procure the making or completion of such reports and attachments as an expense of the exploration work; and the Government may withhold approval and payment of any vouchers depending upon insufficient or incomplete reports.

(*d*) *Accounts and audits.*—The Operator shall keep suitable records and accounts of operations, which the Government may inspect and audit at any time. The Government may at any time require an audit of the Operator's records and accounts by a certified public accountant, the cost thereof to be treated as a cost of the project. The Operator shall keep and preserve said records and accounts for at least 3 years after the completion of the project or the termination of this contract. Upon the completion of the project or termination of the contract the Operator shall render a final account as provided in Article 12.

ARTICLE 8. *Payments by the Government.*—(*a*) The Government will pay 90 percent of the allowable costs incurred, as they accrue, in an aggregate total amount not in excess of $4,050.00, which is 90 percent of $4,500.00, the agreed, estimated total cost of the project in which the Government will participate; *Provided,* that until the Operator's final report and final accounting have been rendered to the Government, and any final auditing required by the Government has been made, and a final settlement of the contract has been made, the Government may withhold from the last voucher or vouchers such sums as it sees fit not in excess of ten (10) percent of the maximum total which the Government might have been called upon to pay under the terms of the contract.

(*b*) The Government may make any payment or payments direct to independent contractors and to suppliers, for the account of the Operator, rather than to the Operator.

ARTICLE 9. *Repayment by Operator.*—(*a*) If, at any time, the Government considers that a discovery or a development from which production may be made has resulted from the exploration work, the Government, at any time not later than 6 months after the Operator has rendered the required final report and final account, may so certify in writing to the Operator. The certification shall describe broadly or indicate the nature of the discovery or development. In the event of such certification, any minerals mined or produced from the land described in Article 2 within 10 years from the date of this contract, including any mined or produced before the certification, shall be subject to a percentage royalty which the Operator or his successor in interest shall pay to the Government, upon the net smelter returns, the net concentrator returns, or other net amounts realized from the sale or other disposition of any such production, in whatever form disposed of, including ore, concentrates, or metal, until the total amount contributed by the Government, without interest, is fully repaid, or said 10 years have elapsed, whichever occurs first, as follows:

(1) One and one-half (1½) percent of any such net amounts not in excess of eight dollars ($8.00) per ton.

(2) One and one-half (1½) percent of any such net amounts, plus one-half (½) percent of such net amounts for each additional full fifty cents ($0.50) by which such net amounts exceed eight dollars ($8.00) per ton, but not in excess of five (5) percent of such net amounts.

(For instance: The percentage royalty on a net amount of five dollars ($5.00) per ton would be one and one-half (1½) percent; on a net amount of ten dollars ($10.00) per ton, three and one-half (3½) percent.)

(*b*) As here used, "net smelter returns," "net concentrator returns," and "other net amounts realized from the sale or other disposition," mean gross revenue from sales; or if not sold, the market value of the material after it is mined in the form in which and the place where it is held. In the case of integrated operations in which the material is not disposed of as such, these terms mean what is or would be gross income from mining operations for percentage depletion purposes in income-tax determination.

(*c*) To secure the payment of its percentage royalty, the Government shall have and is hereby granted a lien upon the land described in Article 2 and upon any production of minerals therefrom, until the royalty claim is extinguished by lapse of time or is fully paid.

(*d*) This article is not to be construed as imposing any obligation on the Operator or the Operator's successor in interest to engage in any mining or production operations.

ARTICLE 10. *Assignment, transfer, or loss of Operator's interest.*—Without the written consent of the Government, the Operator shall not assign or otherwise transfer or hypothecate this contract or any rights thereunder. The Operator shall not make any voluntary nor permit any involuntary transfer or conveyance of the Operator's rights in the land described in Article 2, without making suitable provision for the preservation of the Government's right to a percentage royalty on production and lien for the payment thereof; *Provided,* that mere failure by the Operator to maintain the Operator's rights in the land, without any consideration running to the Operator other than relief from the cost of maintaining such rights (as by surrender of a leasehold, failure to perform assessment work, or failure to exercise an option), coupled with complete abandonment by the Operator of all interest in or operations on the land for a period of 10 years from the date of this contract, shall not constitute such a transfer or conveyance. Should the Operator make or permit any transfer or conveyance in violation of this provision, the Operator shall be and remain liable for payment to the Government of the same amounts, at the same times, as would have been paid under the terms of the percentage royalty on production. If for any reason the net smelter returns, net concentrator returns, or other net amounts realized from the sale or other disposition of such production are not available as a means of measuring the amount of the Operator's liability, the amount thereof shall be estimated as well as may be, and in the event of dispute as to such estimates, the determination thereof by the Administrator of Defense Minerals Exploration Administration or by his successor shall be final and binding upon the Operator.

ARTICLE 11. *Title to and disposition of property.*—All facilities, buildings, fixtures, equipment, or other items costing more than $50.00 each, paid for or purchased with funds contributed jointly by the Operator and the Government, although title may be taken in the name of the Operator, shall belong to the Operator and the Government jointly, in proportion to their respective contributions, and upon the completion of the work or the termination of the contract shall be disposed of promptly by the Operator for the joint account of the Government and the Operator, either by return to the vendor, by sale to others, or purchase by the Operator at a price at least as high as could otherwise be obtained, as may appear to be for the best interest of the Government, unless the Government, in writing, waives its interest in any such item. If necessary to accomplish such disposition, the Operator shall dismantle, sever from the land, and remove any such item, the cost thereof to be for the joint account of the parties in proportion to their respective interests. If the Operator, within 90 days after the receipt of written notice from the Government, fails, neglects, or refuses to dispose of such property, the Government may itself enter upon the land, take possession of, and remove and dispose of any such property as above provided.

ARTICLE 12. *Termination and completion.*—The Government may, at any time, by written notice to the Operator, terminate this contract: (*a*) If the Operator fails to provide his share of the money necessary to prosecute operations pursuant to the terms of the contract; (*b*) if the Operator, in the opinion of the Government, fails to prosecute operations pursuant to the terms of the contract; or (*c*) if in the opinion of the Government, operations up to the time of the notice have not indicated the probability of making any worth while discovery and in the opinion of the Government further operations are not justified. Upon the completion of the project or any termination of the contract the Operator shall dispose of any remaining materials, supplies, facilities, buildings, fixtures, and equipment in which the Government has an interest, for the joint account of the Operator and the Government in the proportion of their respective interests; shall render to the Government a full and final accounting of his operations under the contract and his expenditures of money; and shall pay to the Government its pro rata share of any money remaining.

ARTICLE 13. *Changes and added provisions.* ....

....

....

....

Executed in sextuplicate the day and year first above written.

Toe River Mining Company

By C B Collins, atty in fact ~~(Partner)~~
(XXXXX)

By ~~(Partner)~~

By ~~(Partner)~~

THE UNITED STATES OF AMERICA

By C O Mittendorf

Acting Administrator
Defense Minerals Exploration
Administration

I, , certify that I am the secretary of the corporation named as Operator herein; that , who signed this contract on behalf of the Operator, was then of said corporation; that said contract was duly signed for and in behalf of said corporation by authority of its governing body, and is within the scope of its corporate powers.

....

[CORPORATE SEAL]

U. S. GOVERNMENT PRINTING OFFICE 16—66328-1

DOCKET NO. DMEA-2255
PINE KNOB OR KELLEY MINE

ANNEX I

Beginning in the line of Grant 3313 on the waters of Ellijay Creek at a chestnut, 24 poles from the beginning of said Numbers and runs S 60 E 30 poles to a Spanish oak being the N.W. corner of No. 3313. Then S 38 E 40 poles to a Spanish oak, then N 60 W 94 poles to stake in said line, then near north 8 poles to a Spanish oak near the falls of a branch. Then near east with the top of a ridge 16 poles to a Spanish oak, then to the beginning containing about seven (7) acres more or less.

EXPLORATION PROJECT CONTRACT
TOE RIVER MINING COMPANY
DOCKET NO. DMEA-2255

EXHIBIT "A"

Description of the Work

The exploration is to be done in two stages.

Stage I. Trench along the pegmatite 150 feet by 25 feet deep on the uphill face by 30 feet wide at the bottom of the cut — approximately 4,000 cubic yards. The location and direction of the trench is to be specified by the Government but is to be essentially as shown on attached sketch map.

Stage 2. If, in the opinion of the Government, sufficient mica bearing pegmatite is exposed by the work under Stage 1, the Government may select the location for one or two, 5 feet by 7 feet, test pits aggregating a total of 60 feet in depth to explore the mica bearing portion of the pegmatite. These pits are located schematically on the attached sketch map.

Estimated Costs of the Project
(*Indicates allowable maximum)
Stage I

(1) Independent Contracts		
None		
(2) Labor, Supervision, Consultants		
2 - Laborers @ $1.00/hr. ea. for 15 shifts	$240.00	
1 - Supervisor @ $1.50/hr.* for 15 shifts	180.00*	$ 420.00
(3) Operating Materials and Supplies		
Hand tools		100.00
(4) Operating Equipment		
To be rented:		
1 - Bulldozer, including operator, fuel, oil, repairs and all other costs — 120 hrs. @ $12.50/hr.*		1,500.00*

(5) Rehabilitation and Repairs

None

(6) New Buildings, Improvements and Installations

None

(7) Miscellaneous

Taxes, etc.	$ 40.00

(8) Contingencies

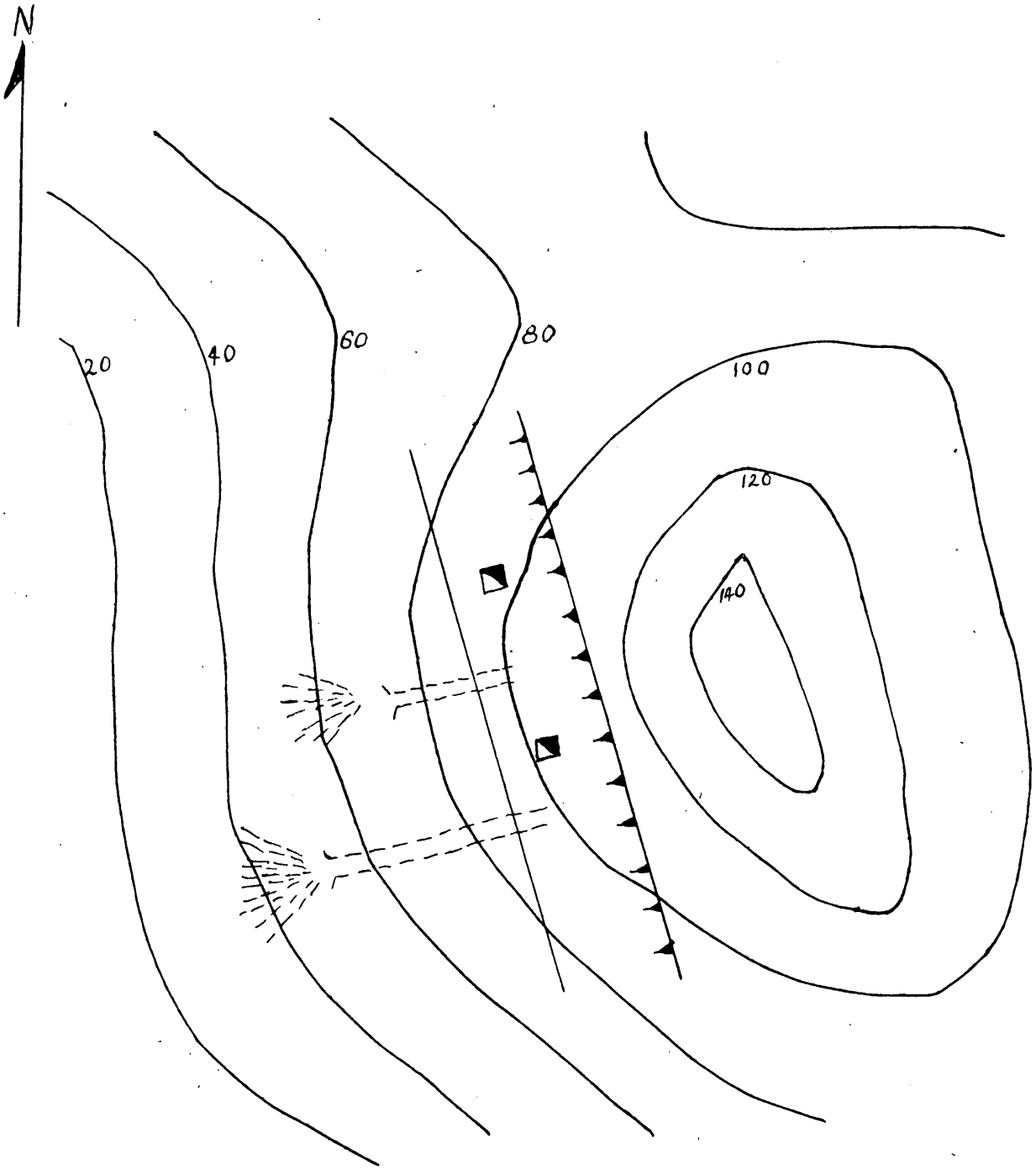
Miscellaneous	40.00
Total cost Stage I	$2,100.00*
Government participation @ 90%	$1,890.00*

Stage II

60 feet of 5' x 7' test pit @ $40.00 per foot	$2,400.00*

NOTE: The Government will contribute to this cost on the basis of the estimated unit cost in lieu of actual costs.

Total estimated cost of project	$4,500.00*
Government participation @ 90%	$4,050.00*



DMEA-2255 Scale 1" = 40'

Sketch Showing Proposed Work at the

Pine Knob or Kelly Mine, Macon Co., N.C.

Proposed open cut

Proposed test pit

Caved crosscut

MF-202

DMEA 2255

LANDLORD'S SUBORDINATION AGREEMENT

KNOW ALL MEN BY THESE PRESENTS:

WHEREAS, the undersigned is the owner in fee simple of that certain parcel of ground in the county of Macon, State of No Car, described in a certain Exploration Project Contract dated May 23, 1952, between

_____,

the Lessee of said property, and the United States of America;

NOW, THEREFORE, the undersigned, as Lessor of said property under lease dated 27th July 1957, does by these presents subordinate all of his right, title, and interest under the provisions of said lease to the right, title, and interest of the United States of America under the provisions of said Exploration Project Contract, and agrees that the lien and claim of the United States of America under the provisions of said contract shall be prior to the undersigned's rights to rentals or royalties under the terms of said lease; and

The undersigned further agrees that if said leasehold interest should be surrendered or if said lease should terminate at any time prior to the expiration of the rights of the United States of America under said Exploration Project Contract, the undersigned shall assume and does hereby assume all of the obligations of the Lessee under said Exploration Project Contract to make repayment to the United States of America according to the terms of said contract; and

The undersigned agrees to commit no act, nor assert any claim under judicial process or otherwise that may contravene or conflict with the prior lien and claim of the United States of America under the provisions of said Exploration Project Contract.

This undertaking and covenant shall be binding upon the heirs, successors, and assigns of the undersigned.

Dated this 27th day of July, 1957.

Lassie Kelly

U. S. GOVERNMENT PRINTING OFFICE 16—64582-1

Estate of J. E. Coburn dec'd
By S W Black Executor

STATE OF NORTH CAROLINA

COUNTY OF Mitchell

POWER OF ATTORNEY

We, John Phillips, Frank W. Phillips, and Lewie Aldridge the partners and the joint venturers in the partnership of Toe River Mining Co., do hereby appoint C. B. Collins our attorney and empower him to act in our stead before the Defense Minerals Exploration Administration, DMPA, and other Government agencies having jurisdiction over mining exploration and production incentives and empower him to prosecute our applications and to enter into contracts with said agencies binding us, with the same force and effect as if any one of us or all of us were to negotiate, sign, or enter into said contracts.

Done this 5th day of May, 1952 in the County of Mitchell, State of North Carolina.

John Phillips (SEAL)
Frank W. Phillips (SEAL)
Lewie Aldridge (SEAL)
(SEAL)
(SEAL)

State of North Carolina

County of Mitchell

I, Kenneth R. McKinney, a Notary Public in and for the State of North Carolina do hereby certify that John Phillips, Frank W. Phillips, and Lewie Aldridge did this 5th day of May, 1952 personally appear before me and execute the above set forth power of attorney.

(s) Kenneth R. McKinney
Notary Public

My Commission Expires:
11/21/52

B

MINING LEASE

State of North Carolina Macon County:

This indenture made this 27 day of July, 1951

between Lassie Kelley & S. W. Black, Executor of the Estate of J. E. Coburn (deceased)

of Macon County and State of North Carolina, as party of the

first part, and known as lessor s, and Toe River Mining Co. Spruce Pine, N. C.

of Mitchell County and State of North Carolina, party of the

second part and known as lessee.

WITNESSETH, That the part ies of the first part in consideration of One Dollar in hand received and hereby acknowledged by the lessor___, and in consideration of the agreements hereinafter contained, on the part of the party of the second part to be performed, hereby bargains, leases and grants to the party of the second part, and his heirs and assigns, for the period of five years from the date of this agreement, the following described real property, for mining purposes, in the County and State first above written, to wit:

Beginning in the line of Grant 3313 on the waters of Ellijay creek at a chestnut, 24 poles from the beginning of said Numbers and runs S 60 E 30 poles to a spanish oak being the N. W. corner of No 3313. Then S 38 E 40 to a spanish oak, then N 60 W 94 poles to stake in said line, then near north 8 poles to a spanish oak near the falls of a branch. Then near east with the top of a ridge 16 poles to a spanish oak then to the beginning containing about seven (7) acres more or less.

TO HAVE AND TO HOLD the said lands to him, for mining purposes, the said lessee and his heirs and assigns for the aforesaid period of five years in compliance with the conditions of this instrument, for the purpose and with the right to dig, quarry, search, explore for, obtain, and remove any kind of minerals, metals or fossils, and particularly mica, and to conduct the same to any extent the said party of the second part, the lessee, may desire. And it is hereby agreed between the parties to this agreement that the party of the second part is to have the use of any unoccupied buildings on said lands for mining purposes, and that he shall have the right to erect such buildings as he needs to carry on such mining operations during the period of this lease, and that the party of the second part shall keep the same in as good condition as when received, unavoidable accidents excepted. And it is also agreed by the party of the second part that no unnecessary damage is to be done to the lands herein leased during the period of this lease and the continuance of said lease, but the said party of the second part shall have right to take from said lands leased to the party of the second part any wood or timber the party of the second part may need to carry on said mining operations or which may be needed to carry on the addition to existing buildings or to erect new buildings or sheds on said lands. (Timber of high or special market value is excepted and shall not be used by the lessee.) And it is hereby agreed that the party of the second part, the lessee, is to have right-of-way of ingress and egress to said mines or land upon which exploration is being conducted.

AND IT IS FURTHER AGREED That the party of the second part, the lessee hereby agrees to pay to the said part ies of the first part, or his or their heirs or assigns, a rental royalty of 12½%

on the minerals taken and sold from said mines which shall be for the use of the said lands for the aforesaid period of five years. The said amounts shall be payable on the computation of selling bills on the tenth day of each month covering sales made during the previous month. Any minerals other than those set forth above which may be taken and sold shall be paid for and at the usual royalty rate of the minerals taken.

AND IT IS FURTHER AGREED That the lessee, the party of the second part, his heirs or assigns, shall have the option to renew this lease and to extend the period of its running for an additional five years from the date of its present termination. The option shall be exercised by giving formal written notice to the part ies of the first part or by the continuation of any mining operations then being conducted. The lessor reserve the right to use the land, or convey the same not conflicting with this lease, but under any conveyance the terms of this lease must be recognized by the grantee, purchaser, or assigns thereof. And it is agreed that the lessee may assign this mining lease or any part thereof and that he may sublease.

AND IT IS FURTHER AGREED That the lessee, the party of the second part, his heirs or assigns, is hereby given an option to purchase all the right, title and interest, legal and equitable to and in the real eastate described and set forth in this lease for a total purchase price of $ no option , said purchase price to be paid in full within three years from the date of this instrument and it is agreed that all rental royalties paid to the party of the first part shall apply toward and be a part of the total purchase price above set forth, and that at such time that the total purchase price is paid in the form of royalties or a lump sum payment or a combination of both, the party of the first part will execute a special warranty deed to the party of the second part and that a tender of the remaining purchase price at any time within the next three years shall entitle the party of the second part to specific performance of this option contract.

BUT IT IS EXPRESSLY AGREED That unless mineral or fossil material of practical value for mining purposes shall be found within a period of two years from the date of this instrument, the lease may be terminated by the lessee at any time thereafter on thirty days notice to the lessor . The lessee agrees that during the period of this lease or the continuance of this lease that work in said mines or exploration for new mines within the area leased shall not cease longer than ninety days at any one time, unavoidable accidents excepted.

WITNESS our hands and seals the day and year first above written.

Witness:

(Seal)
Miss Lassie Kelley

(Seal)
S. W. Black Executor of the Estate
of J. E. Coburn, deceased

(Seal)

NORTH CAROLINA, _____ COUNTY:

The execution of the foregoing instrument was this day acknowledged before me by _____ the grantor___ for the purposes therein expressed. Let the same, with this certificate, be registered. This_____ day of _____, 1951.

_____

_____

******

NORTH CAROLINA, Swain COUNTY:

I, H. J. Truett Clerk Superior Court, do certify that S. W. Black Executor Estate of J. E. Coburn and Lassie Kelley, ~~his wife~~ personally appeared before me this day, and acknowledged the execution of the annexed mining lease ~~and the said~~ _____ ~~being by me privately examined separate and apart from her said husband, touching her voluntary execution of the same; doth state that she signed the same free and voluntarily, without fear or compulsion of her said husband, or of any other person, and that she doth still voluntarily assent thereto.~~ This 30 day of July, 1951.

/s/ H. J. Truett

Clerk Superior Court
Swain County

******

NORTH CAROLINA, _____ COUNTY:

The foregoing certificate of _____ of _____ County is adjudged to be correct and sufficient. Let the instrument, with the certificate be registered.

Witness my hand and official seal, this _____ day of _____, 1951.

_____
Clerk Superior Court

KELLEY MINE

Beginning in the line of Grant 3313 on the waters of Ellijay creek at a chestnut, 24 poles from the beginning of said Numbers and runs S 60 E 30 poles to a spanish oak being the N.W. corner of No. 3313. Then S 38 E 40 to a spanish oak, then N 60 W 94 poles to stake in said line, then near north 8 poles to a spanish oak near the falls of a branch. Then near east with the top of a ridge 16 poles to a spanish oak then to the beginning containing about seven (7) acres more or less.

Form MF-103
(April 1951)

U. S. DEPARTMENT OF THE INTERIOR
DEFENSE MINERALS ADMINISTRATION

Budget Bureau No. 42-R1035.
Approval expires 6-30-51.

APPLICATION FOR AID FOR AN EXPLORATION PROJECT PURSUANT TO MINERAL ORDER 5, UNDER DEFENSE PRODUCTION ACT OF 1950

DO NOT FILL IN THIS BLOCK

Docket No. D.M.E.A. 2255

Date received 11-26-51

Participation

Toe River Mining Company
c/o John Phillips, Manager
Spruce Pine, North Carolina

KELLEY mine.

Name and address of applicant

Date

FILL IN THIS BLOCK

Date of application November 21, 1951

Estimated cost $18,830

Mineral or metal Mica

Percentage of Government participation 90%

Location of mine ~~1 mile NE~~ S.M.E. of Franklin, North Carolina

Date of filing MF-100 Herewith

DMA Docket Number, if available

INSTRUCTIONS

Read Mineral Order 5, Regulations Governing Government Aid in Defense Projects, before completing this application. Submit four signed copies of the application to Defense Minerals Administration, Department of the Interior, Washington 25, D. C., or to the nearest field executive officer thereof, with your name and address on each sheet of the application and all accompanying papers. If any question is inapplicable, or if you cannot answer it, so state on the form. Where the space provided for answer is insufficient, answer on a separate sheet, annex it to the application form, and refer to it in space for answer. If the application is approved, you will be presented with an exploration project contract on Form MF-200, for your signature.

THE APPLICANT

*1. Is applicant an individual, partnership, or corporation?
*2. If a partnership, state names and addresses of partners.
*3. If a corporation, state names and addresses of officers, directors, and five largest stockholders.
*4. Describe the mining and general business experience of (*a*) the applicant, and (*b*) the person or persons who will manage the project.
*5. Are you the owner or the lessee of the property?
6. If owner, state what claims, liens, or encumbrances, if any, are against the property.
7. If lessee, attach a copy of the lease and state if it is in good standing.

NOTE.—It will be necessary to procure and attach to the exploration project contract agreements of claimants, lienors, encumbrances and lessors subordinating their interests in the property to the interest of the Government under the contract.

8. Furnish current financial statement, showing assets and liabilities, and a profit and loss statement.
9. How much money is applicant prepared to invest in proposed project? Is it sufficient to pay your part of the cost of the project as detailed in question 23 of this application form, in accordance with the regulations on Government participation (Section 9 of Mineral Order 5)?

*If you have already answered these questions on MF-100, you are not required to answer the questions for this application.

16—64067-1

THE PROPERTY

10. (*a*) Give a description of the real property that will be in any way involved in the exploration project, including any existing mine or operating property.
    (*b*) Give the legal description of the exact parcel, plot, or area upon which the exploration is to be conducted.

    NOTE.—If both areas are the same, so state. The only obligation to repay the Government is from the net earnings from any commercial discovery made in the area specified in (*b*) above in which the exploration is to be conducted, and the expenditure of funds which may be charged as costs of the project must be limited to that area or to work necessary to perform the exploration in that area.

*11. State the present and former names of the property, if any.
*12. State, in detail, the location of the property with reference to towns, railroads, roads, shipping points, including distances and directions and kinds and conditions of roads.
*13. State source and quantity of water available for operations and its sufficiency at all seasons.
State amount of power to be used, rate per hour or other cost, and source.
*14. Describe any existing useable facilities, equipment, buildings, or structure now on the property that will be devoted to the exploration work.
15. State in detail how the ore could be shipped and how and where milled.
*16. History:
    (*a*) Give a statement, as complete as possible, of previous exploration, development, operation, and production of property, with reasons for any past suspensions of operations.
    (*b*) State briefly the known history and production of adjoining and neighboring properties.
    (*c*) Furnish any available (private) reports that may apply to this application, including results of mine examinations, recommended exploration and development, and metallurgical investigations.
*17. Production:
    (*a*) If mine is in production, furnish the following information:

	Tons per day	*Grade or analysis*	*Cost per ton*	*Net value per ton*
(1) Mining				
(2) Milling				
(3) Shipped or sold				

*18. Ore or mineral reserves: (If property is or has been operating.)
    (*a*) Describe the ore or mineral deposits briefly.
    (*b*) Submit available maps and assay data.
    (*c*) Give estimated tonnage and grade of each class of ore reserves.
19. State any conditions or circumstances regarding the property not sufficiently brought out by the foregoing questions.

THE EXPLORATION

20. For what mineral or minerals and for what types of deposits and ores will the exploration be conducted?
21. Describe briefly, but concisely, the proposed work and the estimated time required to complete it.

    NOTE.—The Government will not participate in a project that will require more than 2 years to complete.
22. Furnish statement of the geological basis of the project with particular emphasis on factors leading the operator to expect the finding of commercial ore bodies. This statement should be accompanied by supporting maps such as geological maps, maps of the proposed openings and assay maps, sample lists, and other pertinent data.

THE REQUIREMENTS AND COSTS

23. Tabulate in the form of an itemized statement with a sum for each item the estimated requirements and costs of the project so that the total will give the estimated cost of the project in which the Government will participate, as follows:
    (*a*) Labor, by numbers and classes (miners, muckers, millmen, etc.), with wages of each.
    (*b*) Supervisors, by numbers and positions, with salaries of each.
    (*c*) Cost of necessary repairs to existing facilities, structures, and buildings.
    (*d*) Cost of necessary installation or construction of additional facilities, structures, and buildings.
    (*e*) Cost of items of equipment, not now owned by the applicant which must be purchased for operations at a cost of $50 or more each.
    (*f*) Cost of rental for equipment which the operator proposes to rent.
    (*g*) Rental value of items of equipment which the operator now owns and which will be devoted to the work.
    (*h*) Cost of materials and supplies, including items of equipment costing less than $50 each.
    (*i*) Cost of power, water, utilities, and any other items not provided for above.
24. Furnish a time schedule of the project, stated in terms of months after project is approved, showing progress expected to be accomplished and the money expected to be spent.

CERTIFICATION

The undersigned company, and the official executing this certification on its behalf, hereby certify that the information contained in this form and accompanying papers is correct and complete to the best of their knowledge and belief.

Toe River Mining Company
(Name of company)

By John Phillips
(Signature of authorized official)

November 21, 1951
(Date)

Manager
(Title)

Title 18, U. S. Code (Crimes), Section 1001, makes it a criminal offense to make a willfully false statement or representation to any department or agency of the United States as to any matter within its jurisdiction.

*Same as footnote on page 1.

16—64067-1 U. S. GOVERNMENT PRINTING OFFICE

MF 103

Toe River Mining Co.
c/o John Phillips
Spruce Pine, North Carolina

1. Applicant is a partnership, a joint venture of persons named in answer to question 2.

2. Frank W. Phillips, John Phillips, and Lewie Aldridge, all of Spruce Pine, North Carolina. For experience and personal history, see Exhibit A.

3. Not a corporation.

4. For mining and general business experience of persons in this joint venture, see Exhibit A.

5. Lessee

6. Not owner or property.

7. Lease is in good standing, copy is attached as Exhibit B.

   NOTE: Six copies of landlord's subordination agreement is attached to original copy of this application as Exhibit B.

8. No financial statement. New joint venture.

9. Applicant will donate 10% in cash.

10. (a) Legal description is attached as Exhibit B.
    (b) Exploration to be conducted within 200 foot radius of center of abandoned shaft. The abandoned shaft will be the center of the circle.

11. Toe River Mining Co.

12. Access road is very good. Mine is located less than 1 mile NE of Franklin, Macon County, North Carolina. Mica ore will be trucked to Franklin or Spruce Pine where it will be sold. Spruce Pine is approximately 110 miles from mine.

13. No flow operation contemplated. Gasoline power to be used.

14. None.

15. Mica will be sold at Franklin or Spruce Pine, North Carolina. No milling operation contemplated.

16. Mica history is on record with USBM, USGS, and RFC.

17. Mine is not in production.

18. Ore reserves not known.

19. None.

20. Sheet mica and usual by-products of pegmatite dykes.

21. It is proposed to commence on the side of the mountain twenty-five feet below the abandoned shaft and to remove the overburden by bulldozer. The loose material will be dumped on the lower side of the mountain so as to form a ledge on which the road will be brought around to the existing open cut. It is expected that the overburden will be approximately 15 feet deep at the point of origination and to be approximately 35 to 40 feet deep at the point of anticipated contact with the pegmatite ore body.

It is proposed to determine the mineralization of the dyke by either continuing the open cut into the dyke at the point of contact or by lowering a shell hole, if it is found that the dyke is below the open cut's extension into the mountain.

It is anticipated that it will take 18 weeks for the project.

22. Possibilities are a matter of record with USBM or USGS.

23.

	per week	18 week total
(a)		
3 muckers at 65	195	3,510
1 jackhammer operator	70	1,260
1 hoist opr. & truck driver	65	1,170
(b)		
1 Supervisor	75	1,350
(c) None		
(d)		
1 tool and storage shed		500
(e)		
Misc. hand tools		500
(f)		
Air compressor & jackhammer	100	1,800
Dump truck	100	1,800
Double drum hoist	60	1,080
(g) None		
(h)		
Drill steel & bits	50	600
Fuel--gas & oil	45	790
Dynamite	40	720
(i)		
Bulldozing 300 hrs. at 12.50 p.h.		3,750
		$18,830

24. It is anticipated to take a total of 18 weeks to complete the project.

Form MF-100
(May 1951)

U. S. DEPARTMENT OF THE INTERIOR
DEFENSE MINERALS ADMINISTRATION

Form approved.
Budget Bureau No. 42-R1026.

GENERAL TECHNICAL DATA
FOR USE UNDER THE
DEFENSE PRODUCTION ACT OF 1950

NOT TO BE FILLED IN BY APPLICANT

Docket No. D. M. E. A. 2255

Date received 11-26-51

Toe River Mining Co.
c/o John Phillips, Manager
Spruce Pine, North Carolina

Name and address of applicant

Date _____

INSTRUCTIONS

This form is to be filed with Defense Minerals Administration, Department of the Interior, Washington 25, D. C. It should be accompanied by appropriate application form when a specific type of Government assistance is requested, in the form of (1) loan, (2) purchase contract, (3) Government guarantee of a private loan, (4) priorities or allocation of mining equipment, and maintenance, repair and operating supplies, and (5) other forms of Government assistance that might arise under the Act. Submit four (4) signed copies of the form and accompanying papers. Name and address should be stamped or typed on each sheet of this form and all accompanying papers. *When a question is inapplicable it should be so stated on the form.* Additional sheets may be attached in answering any questions or in supplying additional information. (IF YOU CANNOT ANSWER A QUESTION, SO STATE.) If a question is answered elsewhere indicate where answered. It is not necessary to answer it again.

GENERAL TECHNICAL DATA

Supply the following information on separate sheets, arranged, numbered, and lettered as indicated:

1. Materials produced:
   (*a*) What are the chief mine, mill, or smelter products?
   (*b*) What are the byproducts, if any?
2. Name(s) and type(s) of mine(s), mill(s), smelter(s), refinery(ies), pit(s), quarry (ies), drilling operation(s). Include old names of property, if any. Show extent of workings, including the following:
   (*a*) Linear feet of shafts.
   (*b*) Linear feet of drifts and crosscuts.
   (*c*) Linear feet of tunnels or adits.
   (*d*) Linear feet of other mine openings (explain briefly).

   Indicate whether mine is flooded or not. Describe any pumping problems. Give size or productive capacity.
3. For each operation listed above supply the following:
   (*a*) Distance and direction from nearest town and shipping point.
   (*b*) Mining district.
   (*c*) Township, Section, Range.
   (*d*) County, State.

DEPARTMENT OF THE INTERIOR
Defense Minerals Administration
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4. (*a*) State whether or not property is now in operation, and if in operation, by whom operated.
   (*b*) Are you operating this property as:
   - ☐ Owner.
   - ☐ Lessee.
   - ☐ Contractor.
5. Number of years in production _____

   If not in production or operation, estimated date when production will begin _____
6. Experience of operators:

   Describe the mining and general business experience of (*a*) the applicant, and (*b*) the person or persons who manage the project.
7. History:
   (*a*) Give a statement, as complete as possible, of previous exploration, development, operation, and production of property, with reasons for suspension of operation.
   (*b*) State briefly the known history and production of adjoining and neighboring properties.
   (*c*) Furnish any available (private) reports that may apply to this application, including results of mine examinations, recommended exploration and development, and metallurgical investigations.

8. Names and addresses of Officers, Directors, or Partners, and in addition thereto, the five largest stockholders if applicant is a corporation.

Name and Address (a)	Official Title (If officer is also director indicate by "D") (b)	Total of Annual Salary, Commissions, Bonuses, Etc., Received From Applicant and Affiliates During Last Fiscal Year (c)	Estimated Net Worth Outside of Interest in Applicant (d)	Number of Shares Held in Applicant Corporation		Life Insurance Carried for Benefit of Applicant	
				Common (e)	Preferred (f)	Amount (g)	Net Cash Surrender Value After Loans (h)
	Total		x x x x x			x x x x x	x x x x x

If more lines are needed continue on separate sheet.

9. Capital Stock Issues:

For Corporate Applicants

Item	Authorized (a)	Outstanding (b)	Par Value (c)	Number of Shares Outstanding (d)	Dividend Rate Last Paid* (e)
Common stock	$	$	$		
Preferred stock	$	$	$		

*Indicate period covered.

10. Production:

Item	Kind of Product (a)	1948 Total (b)	1949 Total (c)	1950 Total (d)	Present Average Monthly (e)
1. Quantity of product mined or quarried (Short, long, metric tons; barrels; pounds; etc.)					
2. Quantity of product processed (specify unit of measure and type of process)					
3. Quantity and grade of product sold or shipped (specify units of measure)					

11. Do you contemplate a change in the present average monthly rate of production? If so, state estimated maximum monthly production and basis of change.

12. Ore or Mineral Reserves:

(*a*) Describe the ore or mineral deposit briefly. Accompany the application by any available report on the geology and ore reserves.

Form MF-100
(May 1951)

U. S. DEPARTMENT OF THE INTERIOR
DEFENSE MINERALS ADMINISTRATION

Form approved.
Budget Bureau No. 42-R1026.

GENERAL TECHNICAL DATA
FOR USE UNDER THE
DEFENSE PRODUCTION ACT OF 1950

NOT TO BE FILLED IN BY APPLICANT

Docket No. D. M. E. A. 2255

Date received 11-26-51

Toe River Mining Co.
c/o John Phillips, Manager
Spruce Pine, North Carolina

Name and address of applicant

Date _____

INSTRUCTIONS

This form is to be filed with Defense Minerals Administration, Department of the Interior, Washington 25, D. C. It should be accompanied by appropriate application form when a specific type of Government assistance is requested, in the form of (1) loan, (2) purchase contract, (3) Government guarantee of a private loan, (4) priorities or allocation of mining equipment, and maintenance, repair and operating supplies, and (5) other forms of Government assistance that might arise under the Act. Submit four (4) signed copies of the form and accompanying papers. Name and address should be stamped or typed on each sheet of this form and all accompanying papers. *When a question is inapplicable it should be so stated on the form.* Additional sheets may be attached in answering any questions or in supplying additional information. (IF YOU CANNOT ANSWER A QUESTION, SO STATE.) If a question is answered elsewhere indicate where answered. It is not necessary to answer it again.

GENERAL TECHNICAL DATA

Supply the following information on separate sheets, arranged, numbered, and lettered as indicated:

1. Materials produced:
   (*a*) What are the chief mine, mill, or smelter products?
   (*b*) What are the byproducts, if any?
2. Name(s) and type(s) of mine(s), mill(s), smelter(s), refinery(ies), pit(s), quarry (ies), drilling operation(s). Include old names of property, if any. Show extent of workings, including the following:
   (*a*) Linear feet of shafts.
   (*b*) Linear feet of drifts and crosscuts.
   (*c*) Linear feet of tunnels or adits.
   (*d*) Linear feet of other mine openings (explain briefly).

   Indicate whether mine is flooded or not. Describe any pumping problems. Give size or productive capacity.
3. For each operation listed above supply the following:
   (*a*) Distance and direction from nearest town and shipping point.
   (*b*) Mining district.
   (*c*) Township, Section, Range.
   (*d*) County, State.

DEPARTMENT OF THE INTERIOR
Defense Minerals Administration
RECEIVED
NOV 26 1951

4. (*a*) State whether or not property is now in operation, and if in operation, by whom operated.
   (*b*) Are you operating this property as:
   - ☐ Owner.
   - ☐ Lessee.
   - ☐ Contractor.
5. Number of years in production _____

   If not in production or operation, estimated date when production will begin _____
6. Experience of operators:

   Describe the mining and general business experience of (*a*) the applicant, and (*b*) the person or persons who manage the project.
7. History:
   (*a*) Give a statement, as complete as possible, of previous exploration, development, operation, and production of property, with reasons for suspension of operation.
   (*b*) State briefly the known history and production of adjoining and neighboring properties.
   (*c*) Furnish any available (private) reports that may apply to this application, including results of mine examinations, recommended exploration and development, and metallurgical investigations.

(*b*) If deposit is other than placer:

(1) Submit assay plans and/or sections showing location and size of proved (measured) and probable (indicated) ore or mineral reserve.

(2) State the tonnage (indicate type of ton) and grade of each class of ore reserve, as above, and show how computed. Tabulated total ore reserve as follows:

TOTAL ORE OR MINERAL RESERVES

Ore or Mineral Reserve	Estimated Tons (a)	Metal or Mineral Content Per Ton (Grade) (b)	Gross Value Per Ton (c)	Recoverable Unit Value Per Ton (d)	Estimated Cost of Production Per Ton (e)
Measured (proved)					
Indicated (probable)					

(*c*) If placer:

(1) Give estimated total yardage and average marketable mineral content of each deposit.

(2) Submit map showing location of placer deposit and surrounding area, with all test holes or pits. Submit logs of each hole and test pit with depth and average value of each.

(3) Describe gravel, stating whether fine, medium or coarse; loose, tight, cemented, or frozen, and whether it contains stumps or boulders more than 1 foot in diameter; if so, how large, and in what proportion.

(4) Describe bedrock, giving type (granite, sandstone, shale, etc.) and state whether it is hard or soft, smooth, uneven or rough.

(5) Describe overburden, stating whether loose, tight, or cemented; fine or coarse textured; furnish estimate of average thickness and total amount.

(6) Tabulate the reserves using the form outlined above for ore or mineral reserves.

13. Access Roads:

Give road distances to shipping, supply and residence points, stating kind and condition of roads.

14. Water Supply:

State source and quantity of water available for operations and whether sufficient for all seasons of year.

15. Power:

State amount of power used, rate per hour, and source thereof.

16. Labor:

State number and classes (miners, muckers, millmen, etc.) of men employed during a recent representative payroll period.

17. Equipment and Facilities:

Describe present equipment on the property, including buildings. (State condition.) List major pieces of equipment now owned or controlled and in serviceable condition available for this operation.

18. Are there any particular conditions or circumstances affecting your operations that are not described above? If so, explain.

CERTIFICATION

The undersigned company, and the official executing this certification on its behalf, hereby certify that the information contained in this form and accompanying papers is correct and complete to the best of their knowledge and belief.

Toe River Mining Co.
(Name of company)

By John P. Sullivan
(Signature of authorized official)

November 21, 1951
(Date)

Manager
(Title)

Title 18, U. S. Code (Crimes), Section 1001, makes it a criminal offense to make a willfully false statement or representation to any department or agency of the United States as to any matter within its jurisdiction.

U. S. GOVERNMENT PRINTING OFFICE 16—63792-1

MF 100

Toe River Mining Co.
c/o John Phillips, Manager
Spruce Pine, North Carolina

1. (a) Strategic mica.
   (b) Pegmatite levies.

2. Old workings have been abandoned. Proposed workings set forth in "exploration application, MF 103."

3. (a) 1 mile NE Franklin, North Carolina
   (b) Shelby--Franklin Mining District
   (c)
   (d) Macon County, North Carolina.

4. (a) Property not now in operation.
   (b) Lessee.

5. Not now in production. Production will commence within 30 days after exploration project is completed, if the exploration presents a positive prognosis.

6. See attachments.

7. History is a matter of record with USGS and USBM.

8. Answered on form.

9. Not applicable.

10. Not now in production.

11. Not applicable.

12. Ore reserve--It is impossible to ascertain the amount of mica in a pegmatite ore body.

13. Good roads.

14. No water needed. Water is available at site if future flow operation should be instituted.

15. No electric power used.

16. 3 muckers at $65 per week
    1 jackhammer operator at $70 per week
    1 hoist operator & truck driver at $65 per week
    1 supervisor at $75 per week
    (Not now in production. This is anticipated labor.)

17. None.

18. None.

FRANK PHILLIPS

Frank Phillips was born January 9, 1909, at Ingalls, North Carolina, and for the remainder of his life, except for his college studies has lived in the Spruce Pine district. He was graduated from the Cranberry, North Carolina, High School in 1927. He then attended Appalachian State Teachers College at Boone, North Carolina until 1929, at which time he entered Georgia Tech at Atlanta, Georgia. Upon completion of his junior year, in 1930, he returned to Ingalls to farm with his father for the next six years.

In off farming seasons commencing in 1933 to 1936, he operated a sawmill by himself employing from three to seven persons. In 1936 he obtained a mining lease on the Gusher Knob Mine and mined it for several years. His mining history during the Colonial purchasing days is well-known by his associates as his operations included some of the largest producing mines within the Spruce Pine district. His operations included:

1942 - 1946	He was one of three partners in the partnership of W. S. Thompson, C. R. Phillips and Frank W. Phillips in the Moulton Mine.
1943 - 1946	The partnership of Frank Phillips, D. T. Vance, T. B. Vance, Jr., Clarence Aldridge and Robert Guy operated the Double Head Mine. This large mining operation employed up to twenty persons and is well-known for its high production.
1943 - 1947	He was one of two partners in the partnership of C. R. Phillips and Frank Phillips in the operation of the Dugger Mine on the property held by Robert Guy and D. T. Vance in Avery County. This mining operation was comparatively small using only five to eight employees.

In 1948 Frank Phillips became one of the organizers and later president of the Mitchell Lumber Company of which he now holds 50 percent of its stock. This lumber company is one of the largest within its area.

* * * * * *

References:

Robert Guy, Cashier,
Avery County Bank, Newland, N. C.
Ed Fortner, President,
Mitchell Finance Corporation, Spruce Pine, N. C.
Baxter Johnson, electrical contractor,
Spruce Pine, N. C.

JOHN PHILLIPS

John Phillips is thirty-four years old and a native of the Spruce Pine area where he has lived most of his life.

He operated the Bouy Mine in Spruce Pine during the years 1941 to 1943 from which he produced a large quantity of book mica of punch and better grade.

In 1941 at the same time he was operating the Bouy Mine, he became a member of the partnership "Carpenter and Phillips Mica Company." This firm fabricates punch grade mica for the electric and electronic industry.

Mr. Phillips' business acumen is evidenced by his rapid expansion in conservative business interests. He is one of two partners in the partnership of "Phillips and Coulter." This partnership is engaged in the following businesses:

1. The Texas Company Distributorship for Avery, Mitchell and Yancey Counties.
2. Studebaker automobile and truck dealer for Avery, Mitchell and Yancey Counties, North Carolina.
3. Firestone Retail Store
4. Texaco Service Station, Spruce Pine,

* * * * * *

References:

Mr. Robert Guy, Cashier
Avery County Bank, Newland, N. C.
Mr. Baxter Johnson, Owner,
Johnson Electric Co., Spruce Pine, N. C.
Mr. L. L. McMurry, Supervising Engineer,
Feldspar Flotation Co., Spruce Pine, N. C.

LEWIE M. ALDRIDGE

Lewie M. Aldridge was born at Hughes, Avery County, North Carolina, December 30, 1914. He attended grammar school in Avery County, and was graduated from Crossnore High School in 1934. In 1935 he completed one year of post graduate work in the commercial business school of the Crossnore High School.

During the years 1936 to 1941 he was an automobile salesman for J. L. Baker in Spruce Pine, North Carolina. In 1941 he commenced his mining operations which last through the Colonial Mica purchase period. They were as follows:

1942 - 1946	He was one of two partners in the partnership of W. S. Flint and Lewie Aldridge which mined "Lincoln Rock" on the Avery estate in Avery County, North Carolina.
1942 - 1946	The same partnership of Flint and Aldridge operated Hawkins Mine at Sandy Ridge, in Stokes County, N. C.
1943 -	As an individual, he operated the "Long Cut" Mine on the Bailey Property in Mitchell County.
1944 - 1946	He was one of three partners in the partnership of Lewie Aldridge, Thomas P. Dillinger and W. S. Flint. which operated the "Long Cut" Mine.
1946 - until present	He has mined the Harry Knight Mine at Stoneville, Virginia.

In addition to his mining operations, Mr. Aldridge during the years 1947 to 1948 operated a used car lot in Spruce Pine, North Carolina. In 1949 he became a partner with C. W. Greene, and the partnership of Aldridge and Greene now engaged in the selling of Ford cars and trucks through their dealership and operate a Texaco service station.

* * * * * *

References:

Bill Lee, Cashier,
Northwestern Bank, Spruce Pine, N. C.
E. C. Guy, President,
Avery County Bank, Newland, N. C.
Ray Dent, Manager,
Diamond Mica Company, Spruce Pine, N. C.

Standard Form No. 1044—Revised
Form approved by Comptroller General U. S.
June 25, 1936

W.O.

SCHEDULE OF COLLECTIONS

Schedule No. NOR 27

Sheet No. .....

Dept. of the Interior, Defense Minerals Exploration Administration 14-23-370
(Department or Establishment) (Bureau or Office)

Received by R. A. Hudson, Regional Disbursing Officer at Oak Ridge, Tenn.
(Name) (Title) (Station)

Period June 1953 D. O. Symbol No. 1428
(Month or quarter ended)

Date Received	Receipt Number	Name of Remitter	Detail Description of Purpose for Which Collections Were Received	Amount	Fund to be Credited (Symbol and title in full)
Check No. 11726 dated 6/17/53		Mitchell Lumber Co. (Frank W. Phillips) (Ibm-[illegible]-324)	Refund of overpayment made on Pur. No. [illegible], D. No. 1038, paid 10/20/52 by R.A. Hudson, symbol 1428	30.60	14.4401 Revolving Fund, Defense Production Act, Interior
			Total,	30.60	

Received ....., subject to collection. Forwarded June 22, 1953

(Disbursing clerk or accountable officer) By .....

By ..... Title Authorized Certifying Officer

Certificate of Deposit No. ..... dated .....

U. S. GOVERNMENT PRINTING OFFICE 10—1700

UNITED STATES
DEPARTMENT OF THE INTERIOR
DEFENSE MINERALS EXPLORATION ADMINISTRATION
Room 13, Post Office Building
WASHINGTON 25, D.C.
Knoxville, Tennessee

GOVERNMENT COPY

April 14, 1953

To: Toe River Mining Company
c/o John Phillips, Manager
Spruce Pine, North Carolina

Operator under Exploration Project Contract Idm-E 324, Docket No.

DMEA-2255, dated May 23, 1952.

The United States of America, acting through The Department of the Interior, Defense Minerals Exploration Administration, under the terms of the above described contract, hereby waives interest in all property acquired under that contract.

Dated April 14, 1953.

THE UNITED STATES OF AMERICA

BY W. A. Beck
Acting Executive Officer
Field Team, Region 7.
Defense Minerals Exploration Admin.

WAB/mm.
cc:
Beck
Laurence
Lynch
Finance Office
Opr. Con-3 —
Files

Form MF-104 (Rev.)
(April 1952)

UNITED STATES
DEPARTMENT OF THE INTERIOR
DEFENSE MINERALS EXPLORATION ADMINISTRATION

Budget Bureau No. 42-R1036.3.
Approval Expires

DEPARTMENT OF THE INTERIOR
Defense Minerals Administration
RECEIVED
JAN 5 1953
ID 2324

OPERATOR'S MONTHLY REPORT AND VOUCHER

Month of Sept. & Oct., 1952 Docket No. DMEA 2255 Contract No. [illegible]
Operator's Name Too River Mining Company Minerals Mica
Address Spruce Pine, N.C. & Frank W. Phillips
Contract Amount, $ 4500.00 Government Participation: 90 % Amount, $ 4050.00

ITEMS OF COSTS	FOR OPERATOR'S USE: Monthly Total	Totals Previously Reported	Totals To Date	FOR GOVERNMENT USE ONLY: Approved Monthly Total	Approved Totals Previously Reported	Approved Totals To Date
(1) Independent Short Form Contracts:						
Drilling						
Bulldozing		$1500.00	$1500.00		1500.00	1500.00
Crosscutting						
Drifting	$1400.00		$1400.00	1400.00		1400.00
Test Pit		$1000.00	$1000.00		1000.00	1000.00
(2) Labor and Supervision:						
Labor		$ 240.00	$ 240.00		240.00	240.00
Supervision		$ 180.00	$ 180.00		180.00	180.00
Technical Services						
(3) Operating Mat'ls. and Supplies:						
Timber						
Explosives						
Pipe						
Track						
Other hand tools, etc.		90.00	90.00		90.00	90.00
(4) Operating Equipment:						
Rental						
Purchase						
Depreciation						
(5) Initial Rehabilitation and Repairs						
(6) New Bldgs., Improvements, etc.						
(7) Miscellaneous:						
Repairs to Equipment						
Sampling and Analysis						
Payroll Taxes						
Liability Insurance						
(8) Contingencies (specify):						
TOTALS	$1400.00	$3010.00	$4410.00	1400.00	3010.00	4410.00

I certify that the above bill is correct and just and that payment therefor has not been received.

Date Nov. 12, 1952 *Payee Too River Mining Company

Per Frank W. Phillips Title Partner

*When a voucher is signed or receipted in the name of a company or corporation, the name of the person writing the company or corporate name, as well as the capacity in which he signs, must appear. For example: "John Doe Company, per John Smith, Secretary," or "Treasurer," as the case may be.

→ NOTE.—Title 18, U. S. Code (Crimes), section 1001, makes it a criminal offense to make a willfully false statement or representation to any department or agency of the United States as to any matter within its jurisdiction.

(Instructions on reverse)

Pursuant to authority vested in me, I certify that this account is correct and proper for payment in the amount of:

$1260.00

Signature
(Authorized Certifying Officer)

Date Vou. No.
(See other side)

(For Government use only)

CERTIFICATION BY GOVERNMENT REPRESENTATIVE:

I certify that to the best of my knowledge and belief the contractor submitting this voucher is operating a Defense Minerals Exploration Administration project under Contract No. Fm-5324 in accordance with the terms of the contract.

Signature Lawrence E. Shirley Title Mining Engr. U.S.B.M. Date Dec. 29, 1952

APPROVAL BY DMEA EXECUTIVE OFFICER OR ALTERNATE:

Signature Robert A. Lawrence Title Executive Officer Date DEC 31 1952

MONTHLY REPORT OF OPERATOR

The Operator (Contractor) of an exploration project is required to make a monthly report to the Government through the Regional Executive Officer. This report consists of three parts as follows:

(a) *Form MF-104—Operator's Monthly Report and Voucher.*—This form details expenditures and constitutes a voucher for reimbursing the Operator for the Government's share of costs;

(b) *Form MF-104A—Operator's Unit Cost and Progress Report.*—This is a statistical report of expenditures which shows costs for the various types of operation; and

(c) *Narrative.*—A concise narrative description of progress made, results accomplished, and any unusual difficulties encountered must be furnished as an attachment to this Report and Voucher. Wherever possible, the narrative is to be illustrated with maps or sketches showing formations penetrated and location and assays of samples taken as well as advances in workings. In the case of diamond drilling or churn drilling, the location and inclination of holes is to be shown on a map; logs and assays also are to be submitted.

The Monthly Report of Operator should be prepared in an original and four copies all of which must be sent to the Executive Officer of the Region not later than the 15th of the month following.

Preparation of Form MF-104—Operator's Monthly Report and Voucher.—All the applicable spaces in Form MF-104 should be filled in by the Operator, and the Operator or his agent should sign the certification in the lower left corner of the form.

The items of costs are arranged in the order they appear in Article 6 (a) of Form MF-200 (Revised February 1952), however, this form is readily adaptable for use in reporting activities under other contract forms.

Under Item (1) delete words "Short Form" if the contract is a sub-contract under Form MF-200; and delete word "Independent" if the contract reported is on Form MF-200 (A). Also, report work paid for on a unit basis under contract Form MF-200 as though it were performed under an independent contract.

Under Item (2) include labor, supervision and technical services incurred for the exploratory operations. Do not include labor, supervision and technical services used for work performed under items (5) and (6).

Under Item (3) include the costs of material and supplies used in the project other than that used under items (5) and (6).

Under Item (4) appear the three types of operating equipment expenditures, that is, rental, purchase and depreciation. The expenditures made for renting equipment belonging to a third party will be reported under "Rental". The amount paid or duly obligated for payment for the purchase of equipment will be reported under "Purchase". The amount of expenditures due the Operator to reimburse him for depreciation of equipment owned will be reported under "Depreciation".

Item (5) comprises costs of labor, supervision, technical services, materials, etc., which are used in the initial rehabilitation and repair of existing buildings, installations, fixtures, and equipment. These costs, therefore, should not be reported under items (2) and (3).

Item (6) includes the labor, supervision, technical services, materials, etc., used in the installation or construction of new buildings, fixed improvements, etc., necessary for the project. These costs, therefore, should not be reported under items (2) and (3).

Item (7) covers miscellaneous types of expenditure such as payroll taxes, liability insurance, workmen's compensation insurance, repairs to equipment and sampling and analysis. Only that part of payroll taxes, liability insurance and workmen's compensation which are paid by the operator should be reported under item (7). The share paid by the employee as a payroll deduction is to be included under item (2) as labor costs.

Item (8) includes any unforeseen costs not included in the other seven categories.

The original of Form MF-104 when submitted for reimbursable expenses incurred under contract Form MF-200 must be supported by original documentation or by certified copies of purchase orders, payrolls or transcripts of payrolls, unless such documentation has been waived by the Regional Executive Officer. This certification may be stated thus, "Certified True Copy (or Transcript)", followed by appropriate signature. If the Executive Officer of the Region determines that a contract under Form MF-200 should have an "on-site" audit, that is, a Government auditor should make an audit of the Operator's books and records of account, the Operator need not support his monthly voucher with original or certified documents except in cases of equipment purchases whose individual costs exceed $50.00. In these cases the original or a certified copy of the purchase order or invoice should be attached to the Monthly Voucher. N. B.—Only the *original* of Form MF-104 is required to be documented. The four copies of Form MF-104 are not to be thus supported.

Form MF-104 submitted for reimbursement under fixed price contracts on Form MF-200 (A), however, are not required to be supported by documentation of any kind. The Operator will submit his claim under item (1) of Form MF-104 by deleting as stated above the word "Independent" and by showing the number of feet or other units immediately after the appropriate descriptive word, such as, drilling, bulldozing, crosscutting, drifting, etc., and giving the "Monthly Total" amount due. "Totals Previously Reported", and "Totals to Date" columns should also be filled in.

GPO 83-38476

Form MF-104A
(April 1952)

Budget Bureau No. 42-R1151
Approval expires 6-30-53.

UNITED STATES
DEPARTMENT OF THE INTERIOR

DEFENSE MINERALS EXPLORATION ADMINISTRATION

DEPARTMENT OF THE INTERIOR
Defense Minerals Administration
RECEIVED
JAN 5 1953

OPERATOR'S UNIT COST AND PROGRESS REPORT

Month of Sept-Oct. 195 2 Docket No. DMEA 2255 Contract No. IDM-E324
Operator's Name Toe River Mining Company Minerals Mica
Address Spruce Pine, N.C. % Frank W. Phillips

OPERATION	UNIT	COSTS THIS MONTH	UNITS THIS MONTH	COSTS TO DATE	UNITS TO DATE	UNIT COSTS TO DATE	AUTHORIZED BY CONTRACT	
							Units	Unit Costs
Drifting	Ft.	$1400.00	70	$1400.00	70	$20.00	70	$20.00
Crosscutting								
Raising								
Shafts								
Winzes								
Drilling: Core								
Churn								
Auger								
Stripping								
Trenching	Cu.Yds			$2010.00	4000	$.5025	4000	$.5025
Test Pits	Ft.			$1000.00	25	$40.00	25	$40.00
Roads and Trails								
TOTAL DISTRIBUTED COSTS		$1400.00		$4410.00				TOTAL COSTS AUTHORIZED BY CONTRACT
Operating Equipment Purchased								
Initial Rehabilitation and Repairs								
New Buildings, Improvements, etc.								
TOTAL COSTS		$1400.00		$4410.00				

The undersigned company, and the official executing this certification on its behalf, hereby certify that the information contained in this report is correct and complete to the best of their knowledge and belief.

Date Nov. 12, 1952 Operator Toe River Mining Company

Per Frank W. Phillips Title Partner

REMARKS:

→ NOTE.—Title 18, U. S. Code (Crimes), section 1001, makes it a criminal offense to make a willfully false statement or representation to any department or agency of the United States as to any matter within its jurisdiction.

(Instructions on reverse)

(For Government use only)

INSTRUCTIONS

Preparation of Form MF-104A—Operator's Unit Cost and Progress Report.—Applicable places on Form 104A should be filled in by the Operator. The purpose of this form is twofold as follows: (1) to furnish the supervising engineers and other administrators with statistical information necessary to better determine the progress of the project; and (2) to furnish more permanent information on mining costs for future use. The more important phases of operation on which permanent information is desired have been outlined in the form. There are blank lines, however, for those unusual phases which may need to be reported for a particular project. It will be necessary for the Operator to distribute his costs among the applicable phases reported with the exception of three items the costs of which are not to be distributed by the Operator. These three items are: "Operating Equipment Purchased", "Initial Rehabilitation and Repairs", and "New Buildings, Improvements, etc." The reason for not distributing these items on a monthly basis is doubtless clear to the Operator, since such distribution might well overstate the cost for any one month or period short of the entire contract period.

Form MF-104A has been designed to tie in with Form MF-104 for both monthly and cumulative costs. The "Total Costs" on Form MF-104A for each month should equal the monthly "Total Costs" as reported on Form MF-104. This is also true of the "Total Costs To Date".

In preparing Form MF-104A, it will be necessary frequently to distribute certain costs over a number of items. For instance, supervisory and engineering costs may have to be distributed over several phases, such as, drifting, crosscutting, raising, etc., provided that these items were reported active for the month. Such distributions should be made on the basis of time spent on the various phases, on man days of labor charged to such phases, or on some other equitable basis. "Operating Equipment", "Initial Rehabilitation and Repairs", and "New Buildings Improvements, etc.", will be distributed to the several phases of the project by the Washington Office of DMEA at the close of the project if determined necessary. The last two columns headed "Authorized by Contract" will be filled in by the Operator if such information is found in the contract. This information is usually a part of Exhibit "A" of the contract. A space for remarks has been provided for the use of the Operator to call attention to any unusual circumstances causing excessive or disproportionate unit costs.

GPO 83-38475

DMEA-2255 Idm-E324

NARRATIVE REPORT
September & October 1952
Toe River Mining Company

After shaft was dug to a depth of 25 ft. two drifts were cut. One was cut 17 ft. and crossed some vein material consisting of quartz and feldspar, but no mica. Another drift was cut 57 ft. and through the bottom of an old shaft, there is vein material with some mica showing in bottom of old shaft and in back wall into, which we are cutting 10 ft. deeper.

I certify this is a true and correct copy.

TOE RIVER MINING COMPANY

s/s F. W. Phillips — Partner
Title

Form

UNITED STATES
DEPARTMENT OF THE INTERIOR
DEFENSE MINERALS EXPLORATION ADMINISTRATION

DEPARTMENT OF THE INTERIOR
Budget Bureau No. 42-R036.3.
Approval expires 6-30-53
Defense Minerals Administration
RECEIVED
OCT 16 1952

OPERATOR'S MONTHLY REPORT AND VOUCHER

Month of August, 1952 Docket No. DMEA 2763 Contract No. Idm-E324

Operator's Name Too River Mining Company Minerals ~~2255~~ Mica

Address Spruce Pine, N.C.

Contract Amount, $ 4500.00 Government Participation: 90 % Amount, $

ITEMS OF COSTS	FOR OPERATOR'S USE: Monthly Total	Totals Previously Reported	Totals To Date	FOR GOVERNMENT USE ONLY: Approved Monthly Total	Approved Totals Previously Reported	Approved Totals To Date
(1) Independent Short Form Contracts:						
Drilling						
Bulldozing						
Crosscutting	1500.00	None	1500.00	1500.00		1500.00
Drifting						
Test Pit	1200.00	None	1200.00	was 1000.00		was 1000.00
(2) Labor and Supervision:						
Labor				240.00		240.00
Supervision	240.00	None	240.00	180.00		180.00
Technical Services	180.00	None	180.00			
(3) Operating Mat'ls. and Supplies:						
Timber						
Explosives						
Pipe						
Track						
Other Hand Tools	90.00	None	90.00	90.00		90.00
(4) Operating Equipment:						
Rental						
Purchase						
Depreciation						
(5) Initial Rehabilitation and Repairs						
(6) New Bldgs., Improvements, etc.						
(7) Miscellaneous:						
Repairs to Equipment						
Sampling and Analysis						
Payroll Taxes						
Liability Insurance						
(8) Contingencies (specify):						
TOTALS	3210.00	None	3210.00	was 3010.00		was 3010.00

I certify that the above bill is correct and just and that payment therefor has not been received.

Date Sept. 29, 1952 *Payee Too River Mining Company

Per Frank W. Phillips Title

*When a voucher is signed or receipted in the name of a company or corporation, the name of the person writing the company or corporate name, as well as the capacity in which he signs, must appear. For example: "John Doe Company, per John Smith, Secretary," or "Treasurer," as the case may be.

NOTE.—Title 18, U. S. Code (Crimes), section 1001, makes it a criminal offense to make a willfully false statement or representation to any department or agency of the United States as to any matter within its jurisdiction.

(Instructions on reverse)

Pursuant to authority vested in me, I certify that this account is correct and proper for payment in the amount of:

2709.00 was
$ 2889.00

Signature
(Authorized Certifying Officer)

Date Vou. No.
(See other side)

(For Government use only)

CERTIFICATION BY GOVERNMENT REPRESENTATIVE:

I certify that to the best of my knowledge and belief the contractor submitting this voucher is operating a Defense Minerals Exploration Administration project under Contract No. Idm-E324 in accordance with the terms of the contract.

Signature Laurence E. Shirley Title Mining Engr. U.S.B.M. Date 10-2-52

APPROVAL BY DMEA EXECUTIVE OFFICER OR ALTERNATE:

Signature Robert A. Lawrence Title Executive Officer Date OCT 6 - 1952

MONTHLY REPORT OF OPERATOR

The Operator (Contractor) of an exploration project is required to make a monthly report to the Government through the Regional Executive Officer. This report consists of three parts as follows:

(a) *Form MF-104—Operator's Monthly Report and Voucher.*—This form details expenditures and constitutes a voucher for reimbursing the Operator for the Government's share of costs;

(b) *Form MF-104A—Operator's Unit Cost and Progress Report.*—This is a statistical report of expenditures which shows costs for the various types of operation; and

(c) *Narrative.*—A concise narrative description of progress made, results accomplished, and any unusual difficulties encountered must be furnished as an attachment to this Report and Voucher. Wherever possible, the narrative is to be illustrated with maps or sketches showing formations penetrated and location and assays of samples taken as well as advances in workings. In the case of diamond drilling or churn drilling, the location and inclination of holes is to be shown on a map; logs and assays also are to be submitted.

The Monthly Report of Operator should be prepared in an original and four copies all of which must be sent to the Executive Officer of the Region not later than the 15th of the month following.

Preparation of Form MF-104—Operator's Monthly Report and Voucher.—All the applicable spaces in Form MF-104 should be filled in by the Operator, and the Operator or his agent should sign the certification in the lower left corner of the form.

The items of costs are arranged in the order they appear in Article 6 (a) of Form MF-200 (Revised February 1952), however, this form is readily adaptable for use in reporting activities under other contract forms.

Under Item (1) delete words "Short Form" if the contract is a sub-contract under Form MF-200; and delete word "Independent" if the contract reported is on Form MF-200 (A). Also, report work paid for on a unit basis under contract Form MF-200 as though it were performed under an independent contract.

Under Item (2) include labor, supervision and technical services incurred for the exploratory operations. Do not include labor, supervision and technical services used for work performed under items (5) and (6).

Under Item (3) include the costs of material and supplies used in the project other than that used under items (5) and (6).

Under Item (4) appear the three types of operating equipment expenditures, that is, rental, purchase and depreciation. The expenditures made for renting equipment belonging to a third party will be reported under "Rental". The amount paid or duly obligated for payment for the purchase of equipment will be reported under "Purchase". The amount of expenditures due the Operator to reimburse him for depreciation of equipment owned will be reported under "Depreciation".

Item (5) comprises costs of labor, supervision, technical services, materials, etc., which are used in the initial rehabilitation and repair of existing buildings, installations, fixtures, and equipment. These costs, therefore, should not be reported under items (2) and (3).

Item (6) includes the labor, supervision, technical services, materials, etc., used in the installation or construction of new buildings, fixed improvements, etc., necessary for the project. These costs, therefore, should not be reported under items (2) and (3).

Item (7) covers miscellaneous types of expenditure such as payroll taxes, liability insurance, workmen's compensation insurance, repairs to equipment and sampling and analysis. Only that part of payroll taxes, liability insurance and workmen's compensation which are paid by the operator should be reported under item (7). The share paid by the employee as a payroll deduction is to be included under item (2) as labor costs.

Item (8) includes any unforeseen costs not included in the other seven categories.

The original of Form MF-104 when submitted for reimbursable expenses incurred under contract Form MF-200 must be supported by original documentation or by certified copies of purchase orders, payrolls or transcripts of payrolls, unless such documentation has been waived by the Regional Executive Officer. This certification may be stated thus, "Certified True Copy (or Transcript)", followed by appropriate signature. If the Executive Officer of the Region determines that a contract under Form MF-200 should have an "on-site" audit, that is, a Government auditor should make an audit of the Operator's books and records of account, the Operator need not support his monthly voucher with original or certified documents except in cases of equipment purchases whose individual costs exceed $50.00. In these cases the original or a certified copy of the purchase order or invoice should be attached to the Monthly Voucher. N. B.—Only the *original* of Form MF-104 is required to be documented. The four copies of Form MF-104 are not to be thus supported.

Form MF-104 submitted for reimbursement under fixed price contracts on Form MF-200 (A), however, are not required to be supported by documentation of any kind. The Operator will submit his claim under item (1) of Form MF-104 by deleting as stated above the word "Independent" and by showing the number of feet or other units immediately after the appropriate descriptive word, such as, drilling, bulldozing, crosscutting, drifting, etc., and giving the "Monthly Total" amount due. "Totals Previously Reported", and "Totals to Date" columns should also be filled in.

U. S. GOVERNMENT PRINTING OFFICE 205675

Form
(Api

Budget Bureau No. 42-R1151
Approval expires 6-30-53.

DEPARTMENT OF THE INTERIOR
Defense Minerals Administration
RECEIVED
OCT 16 1952

UNITED STATES
DEPARTMENT OF THE INTERIOR
DEFENSE MINERALS EXPLORATION ADMINISTRATION
OPERATOR'S UNIT COST AND PROGRESS REPORT

Month of August 1952 Docket No. DMEA 2255 Contract No. 2255
Operator's Name Ice River Mining Company Minerals Zinc
Address Bruce Plac, B.C.

OPERATION	UNIT	COSTS THIS MONTH	UNITS THIS MONTH	COSTS TO DATE	UNITS TO DATE	UNIT COSTS TO DATE	AUTHORIZED BY CONTRACT Units	AUTHORIZED BY CONTRACT Unit Costs
Drifting								
Crosscutting								
Raising								
Shafts								
Winzes								
Drilling: Core								
Churn								
Auger								
Stripping								
Trenching	Cu. Yd.	2010.00	4000	2010.00	4000	.50¢	4000	.50¢
Test Pits	Ft.	1200.00 was 1000.00	50 was 25	1200.00 was 1000.00	50 was 25	40.00	60	40.00
Roads and Trails								
TOTAL DISTRIBUTED COSTS		3210.00 was 3010.00	3210.00	3210.00 was 3010.00				TOTAL COSTS AUTHORIZED BY CONTRACT
Operating Equipment Purchased								
Initial Rehabilitation and Repairs								
New Buildings, Improvements, etc.								
TOTAL COSTS		3010.00 was 3210.00		3010.00 was 3210.00				

The undersigned company, and the official executing this certification on its behalf, hereby certify that the information contained in this report is correct and complete to the best of their knowledge and belief.

Date Sept. 29, 1952 Operator Ice River Mining Co.
Per Frederick W. Pilkey Title Partner

REMARKS:

→ NOTE.—Title 18, U. S. Code (Crimes), section 1001, makes it a criminal offense to make a willfully false statement or representation to any department or agency of the United States as to any matter within its jurisdiction.

(Instructions on reverse)

(For Government use only)

INSTRUCTIONS

Preparation of Form MF–104A—Operator's Unit Cost and Progress Report.—Applicable places on Form 104A should be filled in by the Operator. The purpose of this form is twofold as follows: (1) to furnish the supervising engineers and other administrators with statistical information necessary to better determine the progress of the project; and (2) to furnish more permanent information on mining costs for future use. The more important phases of operation on which permanent information is desired have been outlined in the form. There are blank lines, however, for those unusual phases which may need to be reported for a particular project. It will be necessary for the Operator to distribute his costs among the applicable phases reported with the exception of three items the costs of which are not to be distributed by the Operator. These three items are: "Operating Equipment Purchased", "Initial Rehabilitation and Repairs", and "New Buildings, Improvements, etc." The reason for not distributing these items on a monthly basis is doubtless clear to the Operator, since such distribution might well overstate the cost for any one month or period short of the entire contract period.

Form MF–104A has been designed to tie in with Form MF–104 for both monthly and cumulative costs. The "Total Costs" on Form MF–104A for each month should equal the monthly "Total Costs" as reported on Form MF–104. This is also true of the "Total Costs To Date".

In preparing Form MF–104A, it will be necessary frequently to distribute certain costs over a number of items. For instance, supervisory and engineering costs may have to be distributed over several phases, such as, drifting, crosscutting, raising, etc., provided that these items were reported active for the month. Such distributions should be made on the basis of time spent on the various phases, on man days of labor charged to such phases, or on some other equitable basis. "Operating Equipment", "Initial Rehabilitation and Repairs", and "New Buildings Improvements, etc.", will be distributed to the several phases of the project by the Washington Office of DMEA at the close of the project if determined necessary. The last two columns headed "Authorized by Contract" will be filled in by the Operator if such information is found in the contract. This information is usually a part of Exhibit "A" of the contract. A space for remarks has been provided for the use of the Operator to call attention to any unusual circumstances causing excessive or disproportionate unit costs.

U. S. GOVERNMENT PRINTING OFFICE 205676

FILE COPY
SURNAME:

UNITED STATES
DEPARTMENT OF THE INTERIOR
DEFENSE MINERALS EXPLORATION ADMINISTRATION
~~WASHINGTON 25, D.C.~~

Room 13, Post Office Building
Knoxville, Tennessee

October 13, 1952

Mr. Frank W. Phillips
Toe River Mining Company
Spruce Pine, North Carolina

Re: DMEA-2255, Idm-E324 (mica)

Dear Mr. Phillips:

Your monthly report for August has been sent today to the Norris Office for Processing.

A deduction of $200 was made on item 1 (test pit) because our engineers report that this pit is 25 feet deep instead of 30 feet as reported.

Please change your copy as follows:

Item 1, (Test Pit) $1000 and your total to $3010 instead of $3210.00.

Very truly yours,

Wm. A. Beck, Acting Executive Officer
DMEA-Region 7

Narrative-DMEA-2255, Idm-E324 (mica)

Cutting timber and clearing land where dozing was to be done then approximately 4,000 cubic yards of dirt was ~~xxxxxx~~ moved by the dozer before uncovering vein. All of this was Stage I.

Thirty (30) feet of 5' x 7' test pit has been successfully completed.

August report.

I certify this is a true and accurate copy.
Signed: Frank W. Phillips, partner.

COPY

Norris-3
Beck
Lynch
Laurence

UNITED STATES
DEPARTMENT OF THE INTERIOR
DEFENSE MINERALS EXPLORATION ADMINISTRATION
WASHINGTON 25, D. C. 600

Project Summary Report

By: Walter C. Anderson November 17, 1953

1. Docket No. DMEA-2255 - Mica
Contract No. Idm-E324
Pine Knob or Kelly Mine
Macon County, North Carolina

Operators: Frank W. Phillips, John Phillips, and Lewis Aldridge, Partners, d.b.a. The Toe River Mining Company, Spruce Pine, North Carolina

Operator's Property Rights:
Lease - dated July 27, 1951
Landlord's Subordination Agreement - dated July 27, 1951.

2. Contract - dated May 23, 1952.

Work authorized -
Two stages - Stage II to be accomplished by approval of the Government after completion of Stage I.

Stage I - Bulldoze approximately 4,000 cu. yds.	$2,100.00
Stage II - 60 feet of 5'x7' test pit @ $40/ft.	2,400.00
Total	$4,500.00
Government participation @ 90%	$4,050.00

Amendments:
No. 1 - 6/17/52 - Provides that work may start within 60 days instead of 30 days and extends completion date from 4 months to 5 months.

No. 2 - 9/1/52 - Changes work in Stage II, as follows:

25 feet of 5'x7' test pit @ $40/ft.	$1,000.00
70 feet of drift @ $20/ft.	1,400.00
Total estimated cost of Stage II	$2,400.00

(No increase in total cost of project.)

Work Completed:

Trenching - 4,000 cu.yds @ $0.494	$1,976.00
25 feet of test pitting @ $40/ft.	1,000.00
70 feet of drifting @ $20/ft.	1,400.00
Total	$4,376.00
Government's participation @ 90%	$3,938.40

Work began on July 7, 1952, and was completed on October 10, 1952. The Operator drove 18 feet of additional drift on his own account.

3. Audit Certificate issued April 14, 1953, as follows:

Total cost billed by contractor		$4,410.00
Exceptions:		
By DMEA Finance Officer	$-0-	
Herewith (schedule attached)	34.00	34.00
Total accepted cost		$4,376.00
Government participation @ 90%		$3,938.40

4. Certification of Discovery - none issued.

5. Comments:

This operation was conducted in a competent and efficient manner. The project was established to find sufficient quantities of strategic mica to warrant a certification of discovery. Exploration was accomplished by trenching, test pitting and drifting. During the project approximately 500 pounds of book mica was discovered, however, insufficient amount to constitute a discovery. There is no mica bearing pegmatite now exposed. The Nonmetallic Minerals Division agrees with the Field Team that no additional work on this deposit is warranted by either the Government or the Operator and no certification of discovery should be issued.

☑ Audited RR 4-14-53 WORK ANALYSIS SHEET - DMEA PROJECT ☑ Actual Cost

☐ Certified Analysis as of 12-6-54 ☐ Agreed Unit Costs

Incl. Voucher for 9-10-1952

Name Joe River Mining Company Docket No. 2255

State N. C. Commodity Mica Idm-E No. 324

OPERATION	AUTHORIZED Units	AUTHORIZED Cost	COMPLETED Units	COMPLETED Cost	NET COST
Drifting & ~~Crosscutting~~	70 ft.	1400.00	70 ft	1400.00	1400.00
Raising					
Shafts Test Pit	25 ft	1000.00	25 ft	1000.00	1000.00
Winzes					
Drilling (Specify)					
Surface Excavation		2100.00		1976.00	1976.00
Underground Excavation					
Roads and Trails					
Operating Equipment Purchased					
Surface Rehabilitation & Repairs					
Underground Rehabilitation					
New Building, Improvements, etc.					
Other (Specify)					
Totals		4500.00		$4376.00	$4376.00

Prepared by [illegible]

COPY

March 4, 1955

Memorandum

To: Mr. Jay L. Chambers

From: Lawrence G. Houk

Subject: Closing dockets

The Nonmetallic Minerals Division have reviewed the following contracts and do not intend to make certifications of discovery or development:

Idm-F52	DMEA-1212	Idm-E	DMEA-
40	1213	217	1969
13	1679	244	1955
73	519	253	2134
74	1390	257	2077
78	1664	272	2360
93	812B	288	2344
97	1224	~~324~~	2255
121	1517	344	2156
124	1318	373	2439
125	1720	411	2528
129	1665	430	2524
134	1732	433	2620
140	1813	444	2646
179	1122	450	2681
180	1250	480	2725
191	1914	497	2778
195	1812	507	2840
198	1929	518	2785
211	1721	524	2909
216	2104	543	2950
		565	3030

UNITED STATES
DEPARTMENT OF THE INTERIOR
DEFENSE MINERALS EXPLORATION ADMINISTRATION
ROOM 13, POST OFFICE BLDG.
KNOXVILLE 2, TENN.

June 19, 1953

Memorandum

To: Helen Miller, Administrative Officer

From: Wm. A. Beck (DMEA Office) Knoxville

Subject: DMEA-2255, Idm-E324 (mica) Toe River Mining Company, N. C.

Transmitted herewith is a check in the amount of $30.60 from the subject contractor to cover the Government's share of the exception's recently made by the auditors.

Wm. A. Beck, for R. A. Laurence
Executive Officer, DMEA-Region 7

WAB/zm
cc:
Laurence
Lynch
Filen
Jay Chambers

UNITED STATES
DEPARTMENT OF THE INTERIOR

DOCKET COPY

DEFENSE MINERALS EXPLORATION ADMINISTRATION
ROOM 13, POST OFFICE BLDG.
KNOXVILLE 2, TENN.

June 11, 1953

Toe River Mining Company
c/o Mr. Frank W. Phillips
Spruce Pine, North Carolina

Re: DMEA-2255, Idm-E~~314~~ 324 (mica)

Dear Mr. Phillips:

Please refer to our letter of April 28, 1953 in regard to the overcharge of $34.00 on the above contract, and send us your check in the amount of 90 percent of $34.00 or $30.60 so that we may close your account.

Very truly yours,

Robert A. Laurence
Executive Officer, DMEA-Reg. 7

RAL/sma
cc:
Beck
Lynch
Laurence
Opr. Com.

UNITED STATES
DEPARTMENT OF THE INTERIOR
DEFENSE MINERALS EXPLORATION ADMINISTRATION
WASHINGTON 25, D. C.
ROOM 13, POST OFFICE BLDG.
KNOXVILLE 2, TENN.

DEPARTMENT OF THE INTERIOR
Defense Minerals Administration
RECEIVED
APR 30 1953

April 28, 1953

T oe River Mining Company
c/o Frank W. Phillips
Spruce Pine, North Carolina

Re: DMEA-2255, Idm-~~[illegible]~~ 324 (mica)

Dear Mr. Phillips:

The Contract Administration and Audit Division of the Defense Minerals Exploration Administration have completed an Audit of your account and have taken exceptions to charges of $34.00. Their schedule of exceptions are as follows:

Exhibit "A" of the contract, as amended, provided for trenching on an actual cost basis and test pitting and drifting on the basis of agreed estimated unit costs in lieu of actual costs.

The Operator charged the following items on an actual cost basis whereas they could only be used on work (test pits) covered by the unit costs:

August 1952, MF-104

300 L. ft. 1/2" cable		$30.00
16	1/2" cable clamps	4.00
	Total	$34.00

Since you have already been paid the total amount of your vouchers a repayment of 90 percent of $34.00 or $30.60 is in order. Please mail your check in the above amount, made out to the Treasurer of the United States, to this office at your earliest convenience.

Very truly yours,

Wm. A. Beck, Acting Executive Officer
DMEA Field Team, Region VII

WAB/zm
cc:Chambers-2
Finance Officer-2
Laurence
Lynch
Files

UNITED STATES
DEPARTMENT OF THE INTERIOR
DEFENSE MINERALS EXPLORATION ADMINISTRATION
~~WASHINGTON 25, D.C.~~
ROOM 13, POST OFFICE BLDG.
KNOXVILLE 2, TENN.

January 23, 1953

Memorandum

To: Operating Committee, D M E A - Washington

From: Field Team, D M E A - Region 7

Subject: Final Reports. DMEA-1969X, Idm-E217 and DMEA-2255, Idm-E324 (Mica)

Attached are four copies each of the above subject final reports. Also attached is the Operator's final report.

DMA-1969X, Idm-E217, Arthur T. Anderson (Carter Mine) mica.

DMEA -2255, Idm-E324, Toe River Mining Co.(Pine Knob Mine) Mica.

The Field Team concurs that the above deposits do not merit certification.

Robert A. Laurence
Robert A. Laurence, Executive Officer
DMEA Field Team, Region 7

W A Beck
Wm. A. Beck, for V. J. Lynch
U. S. Bureau of Mines

Reviewed by
DMEA OPERATING COMMITTEE
1-30-53
(date)

Coe
1-26-53

FINAL F.T. REPORT

UNITED STATES
DEPARTMENT OF THE INTERIOR

DEPARTMENT OF THE INTERIOR
Defense Minerals Administration

DEFENSE MINERALS EXPLORATION ADMINISTRATION

FINAL REPORT

DMEA-2255, PINE KNOB or KELLY MINE
(mica)
Franklin, Macon County, N. C.

By
Kefton H. Teague, Geologist
U. S. Geological Survey

Lawrence E. Shirley, Mining Engineer
U. S. Bureau of Mines

Reviewed by
DMEA OPERATING COMMITTEE

1-30-53
(date)

January 22, 1953

FINAL REPORT
on
PINE KNOB or KELLY MINE (Mica)
DMEA- 2255, Idm-E324

Operator: Toe River Mining Company, c/o Frank Phillips,
Spruce Pine, N. C.

The Pine Knob or Kelly mica mine is 7 airline miles, and 11 miles by road, N. 70° E. of Franklin, Macon County, North Carolina. It is 2000-feet S. 26° E. of Mountain Grove Church and along the southwest slope of Pine Knob.

Work under this project consisted of one 25-foot shaft and 88 feet of drifts. The pegmatite zone was followed by a drift for a distance of 37 feet. No mica of consequence was found in the drift. During the bulldozer work in removing the caved workings about 200 pounds of book mica was recovered. Insufficient mica was found to constitute a discovery and no mica bearing pegmatite is now exposed; therefore, the field examiners recommend that no additional work be conducted on this deposit by either the Government or the Operator. No certification of discovery should be issued on this deposit.

This project began on July 7, 1952 and was completed on October 10, 1952. The Operator gives a completion date of November 11, 1952, but this date referrs to the time the operator stopped work. After the DMEA contract was completed the operator drove 18 feet of drift at his expense, thus the November 11, 1952 date refers to the date that this additional footage was finished.

This exploration was conducted in two stages. Stage I, consisted of removing timber from the mine site and stripping an area 150 feet long, with an up-slope face of about 35 feet, over a width up to 90 feet. This stripping removed most of the previous openings. Stage II, consisted of sinking a 25-foot shaft and driving 88 feet of drifts, 70 feet of which was covered by the contract (see attached map).

The openings described above were made in weathered to semi-weathered material. Enclosing rock at this place is a semi-weathered biotite gneiss. The pegmatite strikes in general N. 45° E. dipping steeply to the southeast. It ranges in thickness from a thin stringer to about 4 feet. There is considerable variation in thickness on both strike and dip. Actually it appears to be a series of lens-like pods connected by narrow stringers. No apparent zoning is present in the pegmatite as mica appears to be scattered throughout the intrusion. The pegmatite is composed of medium coarse plagioclase, smoky quartz, and mica. During the project approximately 500 pounds of book

mica was recovered. Of this amount an estimated 200 pounds were recovered during Stage I; 300 pounds during Stage II.

Expenditures:

(a) Total approved	$4,500.00
(b) Total cost of Project	4,410.00
(c) Government's share of cost	3,969.00
(d) Government's share unexpended	81.00

(e) Value of production during operation.....None

This operation was conducted in a competent and efficient manner.

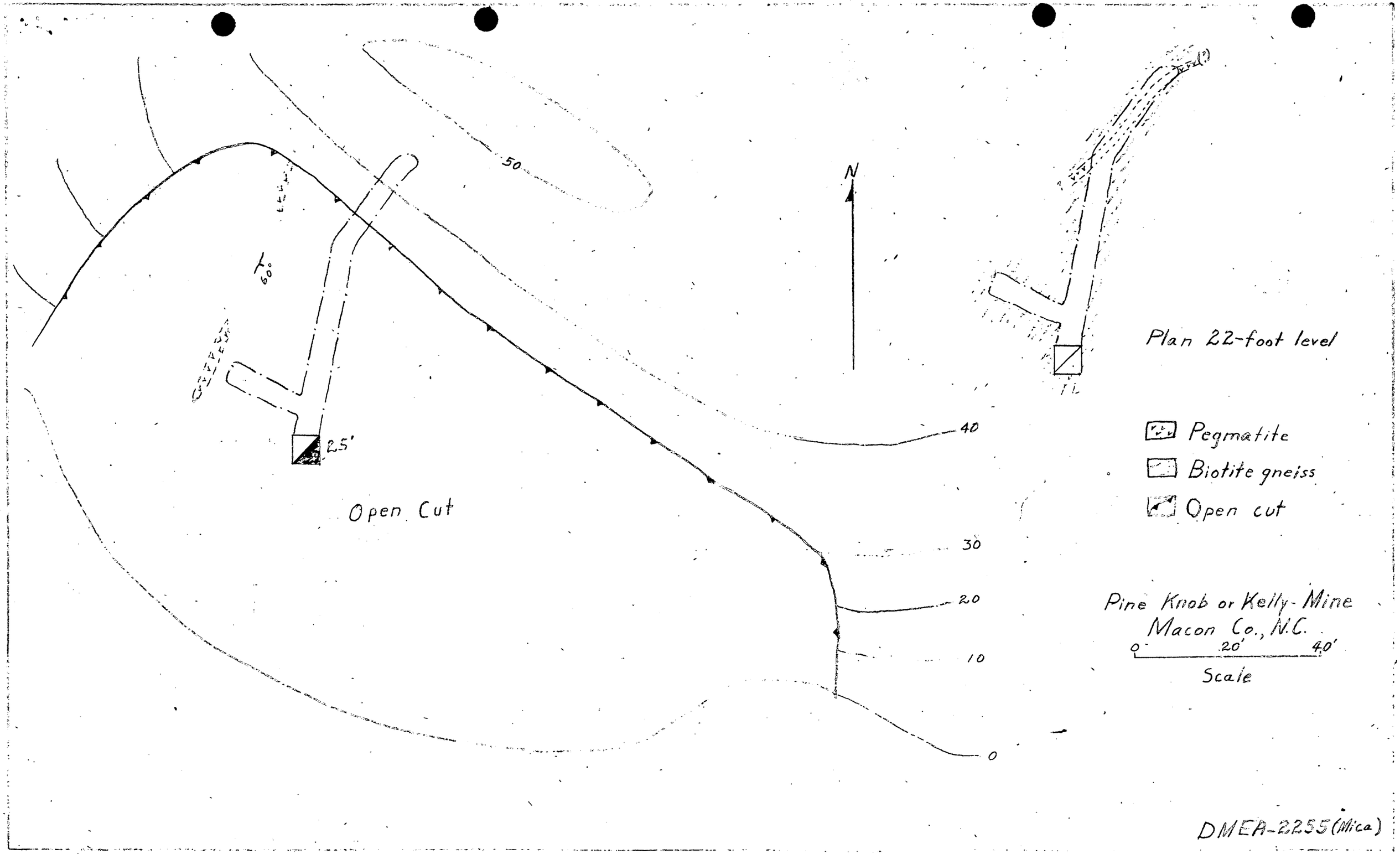
No equipment costing in excess of $50.00 was bought under this contract, thus there is no salvage value.

January 22, 1953

Kefton H. Teague, USGS

L. E. Shirley, USBM

zm


50
60°
25'
Open Cut
N
40
30
20
10
0
Plan 22-foot level
Pegmatite
Biotite gneiss
Open cut
Pine Knob or Kelly-Mine
Macon Co., N.C.
0
20'
40'
Scale
DMEA-2255(Mica)

FRANK W. PHILLIPS, Pres. CLING W. ELLIS, Vice Pres. SAM W. THOMPSON, Sec'y-Treas.

MITCHELL LUMBER COMPANY

INCORPORATED

SPRUCE PINE, N. C.

Dec. 22, 1952

DMEA-2255

Article 7

(b) The operator reports that all the work on the Kelly Mine (Pine Knob) was carried out in accordiance with the reccommendations set forth in our Contract. All this work was done under the supervision of the U.S.G.S. field team. It is the opinion of the operators that there is no ore reserve which would warrant further exploration and certainly not enough to make this operation profitable to mine. This project was completed Nov. 11,1952.

I certify this is a true and correct copy.

TOE RIVER MINING COMPANY

Signed Frank W. Phillips Partner
TITLE

UNITED STATES
DEPARTMENT OF THE INTERIOR
DEFENSE MINERALS EXPLORATION ADMINISTRATION
WASHINGTON 25, D. C. 600

October 28, 1952

Docket No. DMEA-2255 - Mica
Contract No. Idm-E324
Toe River Mining Co.
Pine Knob Mine
Macon County, North Carolina

Memorandum

To: Chairman, Operating Committee

From: Nonmetallic Minerals Division

Subject: Amendment No. 2
(Work change within scope of contract).

Recommended action: Approval of Amendment No. 2

Remarks:

Contract dated May 23, 1952, provided for surface trenching and one or two test pits. After completion of the trenching and one 25-foot test pit, it was apparent to the Field Team that exploration would best be accomplished by drifting rather than by sinking a second test pit.

Under these circumstances, this amendment should be considered to be within the scope and purpose of the contract, and subject to Executive Officer's jurisdiction.

Stanley A. Feitler

Stanley A. Feitler
Nonmetallic Minerals Division

Posted 10/28

BJ

2255 mica

Toe River Mining Co.
~~Pine Knob Mine~~

Work completed, but
additional work indicated
as worthwhile.
Will submit amendment
Teague 10/27/52
Telephone

Docket Copy

UNITED STATES
DEPARTMENT OF THE INTERIOR
DEFENSE MINERALS EXPLORATION ADMINISTRATION
~~WASHINGTON 25, D.C.~~

Room 13, Post Office Building
Knoxville, Tennessee

October 20, 1952

Memorandum

To: Operating Committee, DMEA - Washington

From: Field Team - DMEA - Region 7, Knoxville, Tenn.

Subject: Contract Amendment No. 2. DMEA-2255, Idm-E324. (mica)
Toe River Mining Company.

Attached are three copies of the above subject amendment signed by the Manager of the Toe River Mining Co., one copy was retained by the Operator, one by this office and one forwarded to the Finance Officer, Norris, Tennessee.

Wm. A. Beck, for R. A. Laurence
Executive Officer, DMEA
Region 7

DEPARTMENT OF THE INTERIOR
Defense Minerals Administration
RECEIVED
OCT 21 1952

cae
10-22

For Mr. Feitler

INTERIM REPORT

DMEA-2255 Idm-E324 (mica) PINE KNOB MINE (LASSIE KELLY)

OPERATOR: Toe River Mining Company, c/o Frank Phillips, Spruce Pine, North Carolina.

LOCATION: 7 miles airline and 11 miles by road N 70° E of Franklin, Macon County, North Carolina.

The 34 foot drift referred to in Interim Report of October 6, 1952 has advanced to 52 feet. Old mine workings have been encountered and it is believed that the floor of the drift is good vein material. This vein material consists of massive quartz, feldspar and sparse muscovite mica. The advent of some water into the mine at this point made observation as to extent along the floor difficult. Some more heavy ground has also been encountered and coped with successfully.

L. E. Shirley

L. E. Shirley, Mining Engineer
U. S. Bureau of Mines
Mining Branch
Minerals Technology Division
Region VII

October 16, 1952

DEPARTMENT OF THE INTERIOR
Defense Minerals Administration
RECEIVED
OCT 21 1952

noted 10/23/52

FILE COPY
SURNAME:

UNITED STATES
DEPARTMENT OF THE INTERIOR
DEFENSE MINERALS EXPLORATION ADMINISTRATION
WASHINGTON 25, D. C. 600

OCT 13 1952

SFeitler
Houk
Elliott

Mr. Robert A. Laurence
Executive Officer, DMEA
Field Team, Region VII
Room 13, Post Office Building
Knoxville 2, Tennessee

Subject: Docket No. DMEA-2255 - Mica
Toe River Mining Company
c/o Frank Phillips
Spruce Pine, North Carolina
Contract No. Idm-K324

Dear Mr. Laurence:

Reference is made to the subject contract providing for exploration at the Pine Knob Mine, Mason County, North Carolina, and the Interim Report of K. H. Teague and L. E. Shirley, dated September 30, 1952.

This report mentions completion of 32 feet of drifts. As the contract does not provide for drifting, it is assumed that the contract has been amended. Please forward the original and two copies of the amendment which provides for drifting and the necessary transfer of funds from other contract items.

Interim Reports are important to this office as the Operator's Monthly Reports are generally very short and lacking in detail. The current Interim Report would have been more useful if it had contained a description of the pegmatite exposed and the mica, if any, being recovered from the shaft and drift.

Your attention is called to page 4 of Memorandum No. 9 which contains an outline for Interim Reports.

SH 10-13-52

Sincerely yours,

(signed) FRANK E. JOHNSON
(JVB)
Chairman, Operating Committee

Approved:

J. H. Hedges (JVB)
Member, Bureau of Mines

T. P. Thayer (JVB)
Member, Geological Survey

SAFeitler:gad 10/9/52
Copy to: Adm. R. File
Docket File
Mr. Dietrich, 3526
Mr. Norton, G-232 GSA Bldg.
Mr. Houk
Operating Committee

2255 - To P. Mag Co. (Phillips)

Idm E 324 - 5/23/52

Contract provides for
stage I
Dozing etc. $2100.00

stage II
60' of 5x7 test pit
1 or 2 @ 40. 2400

Tot. 4500.00

no 104's to date
10/13/52

DEPARTMENT OF THE INTERIOR
Defense Minerals Administration
RECEIVED
OCT 15 1952

INTERIM REPORT

DMEA-2255 Idm-E324 (Mica) PINE KNOB (LASSIE KELLY) MINE

OPERATOR: Toe River Mining Company, c/o Frank Phillips, Spruce Pine, North Carolina.

LOCATION: 7 miles airline and 11 miles by road N 70° E of Franklin, Macon County, North Carolina.

Progress on this project is satisfactory. Two drifts are being worked intermittently. One is at 34 feet and has encountered old works at this point. The other drift is at 17 feet and in country rock. Heavy ground encountered a short time ago is under control and steps have been taken to prevent a similar occurrence. Both drifts are well timbered and appear to be in good shape.

L. E. Shirley

L. E. Shirley, Mining Engineer
U. S. Bureau of Mines
Mining Branch
Minerals Technology Division
Region VII

October 8, 1952

10/17/51
Tel.- Teague
Teague says amendment covering drifting will be transmitted soon
SF

FILE COPY
SURNAME:

UNITED STATES
DEPARTMENT OF THE INTERIOR
DEFENSE MINERALS EXPLORATION ADMINISTRATION
~~WASHINGTON 25, D. C.~~

Room 13, Post Office Building
Knoxville, Tennessee

October 6, 1952

Mr. Frank W. Phillips
Toe River Mining Company
Spruce Pine, N. C.

Re: DMEA-2255, Idm-E324 (micm)

Dear Mr. Phillips:

This will acknowledge receipt of your August Operator's Report and Voucher. You neglected to enclose a copy of a certified invoice for the bulldozer work. Your time reports are also incomplete in that you did not give the dates on them or the title of Forbes and Ledford. Also, show the hourly rate paid each man.

We are holding the report in this office, and returning herewith the time reports. Upon receipt of the corrected reports and the bulldozer voucher, we will forward it to our Norris office for payment.

Please furnish this office with the starting date of your project.

Very truly yours,

Wm. A. Beck, for R. A. Laurence
Executive Officer, DMEA
Region 7

WAB/mm
cc:
Beck
Shirley
Opr. Com.
Files

DEPARTMENT OF THE INTERIOR
Defense Minerals Administration
RECEIVED
OCT 8 '52

DEPARTMENT OF THE INTERIOR
Defense Minerals Administration
RECEIVED
OCT 3 1952

INTERIM REPORT

DMEA-2255, Idm-E 324, (mica)

Operator: Toe River Mining Company
c/o Frank Phillips
Spruce Pine, North Carolina

Mine: Pine Knob Mine, located 8 airline miles northeast of Franklin, Macon County, North Carolina.

Under this project to date a shaft 23 feet deep and 32 feet of drifts have been made. Some heavy ground has been encountered, but it has been held successfully. Work on the project is progressing satisfactorily.

K. H. Teague, Geologist
U. S. Geological Survey

September 30, 1952

L. E. Shirley, Mining Engineer
U. S. Bureau of Mines

mw Jeffler

fed

INTERIM REPORT

IMEA-2255,(mica),PINE KNOB MINE

Applicant: Toe River Mining Co., Spruce Pine, N. C.
c/o Frank Phillips.
Contract Idm-E 324

STAGE I, which consisted of cutting a bulldozer trench to expose the pegmatite, has been completed. About 200 pounds of mica up to six inches across and of good quality was recovered from this phase of the operation. One test pit has been started and was down to 13 feet on August 26, 1952. The project is being conducted satisfactorily.

Kefton H. Teague

Kefton H. Teague, Geologist
U. S. Geological Survey

August 29, 1952

noted SAF 9/10/52

DOCKET

DMEA-2255, Idm-E324. Toe River Mining Co. (mica)

Amendment No.I, dated June 17, 1952, extending starting and completion dates was needed because Operator was unable to get necessary equipment on the job within the 30 days specified originally in the contract.

JUL 10 1952

UNITED STATES
DEPARTMENT OF THE INTERIOR
DEFENSE MINERALS ADMINISTRATION
~~WASHINGTON 25, D. C.~~

Room 13, Post Office Building
Knoxville, Tennessee

June 20, 1952

Memorandum

To: Operating Committee, D. M. E. A.

From: Field Team-D. M. E. A. Region VII

Subject: Amendment No.1. DMEA-2255, Idm-E324. Toe River Mining Co. (Mica)

Transmitted herewith are original and three copies of the above subject amendment. One copy was retained by this office and one by the operator.

Robert A. Laurence

Robert A. Laurence, Executive Officer
DMEA Field Team, Region VII

W. A. Beck

Wm. A. Beck, for V. J. Lynch
U. S. Bureau of Mines

DEPARTMENT OF THE INTERIOR
Defense Minerals Administration
WASHINGTON
JUN 23 1952

SDS 6-25-58

FILE COPY
SURNAME:

UNITED STATES
DEPARTMENT OF THE INTERIOR
DEFENSE M~~INERALS ADMINI~~STRATION
WASHINGTON 25, D. C.
Room 13, Post Office Building
Knoxville 02, Tennessee

Beck
Lynch
Opr. Com.
Files

June 17, 1952

Mr. John Phillips, Mgr.
Toe River Mining Company
Spruce Pine, N. C.

Re: DMEA-2255. Contract Amendment

Dear Mr. Phillips:

Attached are 6 copies of an amendment extending the starting time for the above contract. Please sign all six copies, retain one for your files - send the original and four to this office.

Thank you

Very truly yours,

Robert A. Laurence,
Executive Officer, DMEA Field Team
Region VII

RAL/am

DEPARTMENT OF THE INTERIOR
Defense Minerals Administration
RECEIVED
JUN 19 1952

FILE COPY
SURNAME:

UNITED STATES
DEPARTMENT OF THE INTERIOR
DEFENSE MINERALS ADMINISTRATION
WASHINGTON 25, D. C.

600

MAY 28 1952

SAFeitler
Robin
Houk
Talbert

Mr. Robert A. Lawrence
Executive Officer
DMEA Field Team, Region VII
Room 13, Post Office Building
Knoxville 1, Tennessee

Subject: Docket No. DMEA-2255 - Mica
Pine Knob or Kelley Mine
Macon County, North Carolina

Dear Mr. Lawrence:

Please find herewith one copy of a contract covering the subject exploration project which has been signed by this office for the Government with register number and effective date as shown.

The contract has been signed in this office by the representative of the Toe River Mining Company and the distribution of the contract has been made.

A copy of the contract required by the Regional Finance Office will be forwarded directly by the Washington Finance Section.

Sincerely yours,

5-23

(signed) FRANK E. JOHNSON
(NB)

Chairman, Operating Committee
Defense Minerals Exploration
Administration

Enclosure

Approved:
J. H. Hedges (NB)
Member, Bureau of Mines

D. M. Lemmon (NB)
Member, Geological Survey

SAFeitler:mp 5/20/52
cc: Adm. Reading File
Operating Committee (2)
Docket File
Mr. Dietrich, 3526
Mr. Norton, G-232, GSA Bldg.
Mr. Houk

FILE COPY
SURNAME:

UNITED STATES
DEPARTMENT OF THE INTERIOR
DEFENSE MINERALS ADMINISTRATION
WASHINGTON 25, D. C.

600

MAY 23 1952

Feitler
Houk
Nortom
Gilbert

Mr. John Phillips
Manager, Toe River Mining Company
Spruce Pine, North Carolina

Subject: Docket No. DMGA-7255
Mica
Pine Knob or Kelley Mine
Macon County, North Carolina

Dear Mr. Phillips:

Please find herewith a copy of a contract covering the subject exploration project which has been signed for the Government by this office, and signed for the Toe River Mining Company by Mr. C. B. Collins your Attorney in Fact.

Sincerely yours,

C. O. Mittendorf (fw) 5/23

Acting Administrator
Defense Minerals Exploration
Administration

Enclosure

SAFeitler:mp 5/20/52
cc: Field Team, Region VII (2)
Operating Committee (2)
Docket File
Adm. Reading File
Mr. Dietrich, 3526
Mr. Nortom, G-232, GSA Bldg.
Mr. Houk

2255-Toe River Mining Co
5/20/52

Note:

Stage 2
Unit prices cleared
with Mr. Laurence.
Please return
executed contract
for IdmE number.
~~and letters of~~
~~transmittal.~~
Attorney for
applicant has
signed 6 copies.

UNITED STATES
DEPARTMENT OF THE INTERIOR
DEFENSE MINERALS EXPLORATION ADMINISTRATION
WASHINGTON 25, D. C.

May 19, 1952

Memorandum

To: Acting Administrator

Through: L. G. Houk

From: Chief Counsel

Subject: Docket No. DMEA-2255, Toe River Mining Company

There is attached, in satisfactory legal form for execution, a contract covering the subject project, subject to the attachment of subordination agreements to those copies of the contract for which subordination agreements are not in the file.

Your file in the case is returned.

J. L. Hoffland
Chief Counsel

600 APR 30 1952

Memorandum

To: Chief, Non-Metallics Branch, Mining Requirements Division, DMPA

From: Chief, Non-Metallic Minerals Division, DMEA

Subject: Comments on Priority Request.

Reference is made to a letter of April 12, 1952, from Frank W. Phillips requesting priority assistance in obtaining one Caterpillar D-7 Tractor equipped with Caterpillar 7-A Hydraulic Dozer, Caterpillar No. 46 Hydraulic Control and Hyster D7N Towing winch. The approximate cost of this equipment is $17,293.00, F.O.B. Peoria, Illinois.

Mr. Frank Phillips is President of the Mitchell Lumber Company and is said to hold 50% of its stock. From 1942 to 1946 he operated the Moulton Mine. From 1943 to 1946 he operated the Double Head Mine. From 1943 to 1947 he operated the Dugger Mine. He is a stockholder in the Powder Mill Mining Company which has a contract with DMEA, No. 1900, Idm-K176, for $3,120. The work to be accomplished in this contract by bulldozer, complete with operator, fuel and repairs is estimated to be 64 hours at $12.50 per hour or $800.00.

He has made an application for exploration assistance at the Sinkhole Mine, DMEA-2379. This application has not been finalized into a contract, and it is not anticipated that bulldozing work will be needed there.

DMEA-2255, is in the name of Toe River Mining Company, Pine Knob and Kelly Mine, and the Field Team has recommended that a bulldozer be rented for 120 hours for $12.50 per hour, or a total of $1,500, the cost to include operator, fuel and repairs. The Toe River Mining Company is a partnership venture of which Mr. Frank Phillips owns one-third interest.

We trust this information will prove sufficient for your purpose.

LGHouk:gad 4/29/52

Copy to: Admin. Reading File
Docket File
Mr. Dietrich, 3526
Mr. Norton, G-232, GSA Bldg.
Mr. Houk

Signed

Lawrence G. Houk, Chief
Non-Metallic Minerals Division
Defense Minerals Exploration Administration

2255

Map of prop
to be received from
Applic before
contract is
released

SF
4/29/52

C.B. Collins was informed
of this requirement
ca 4/24/52

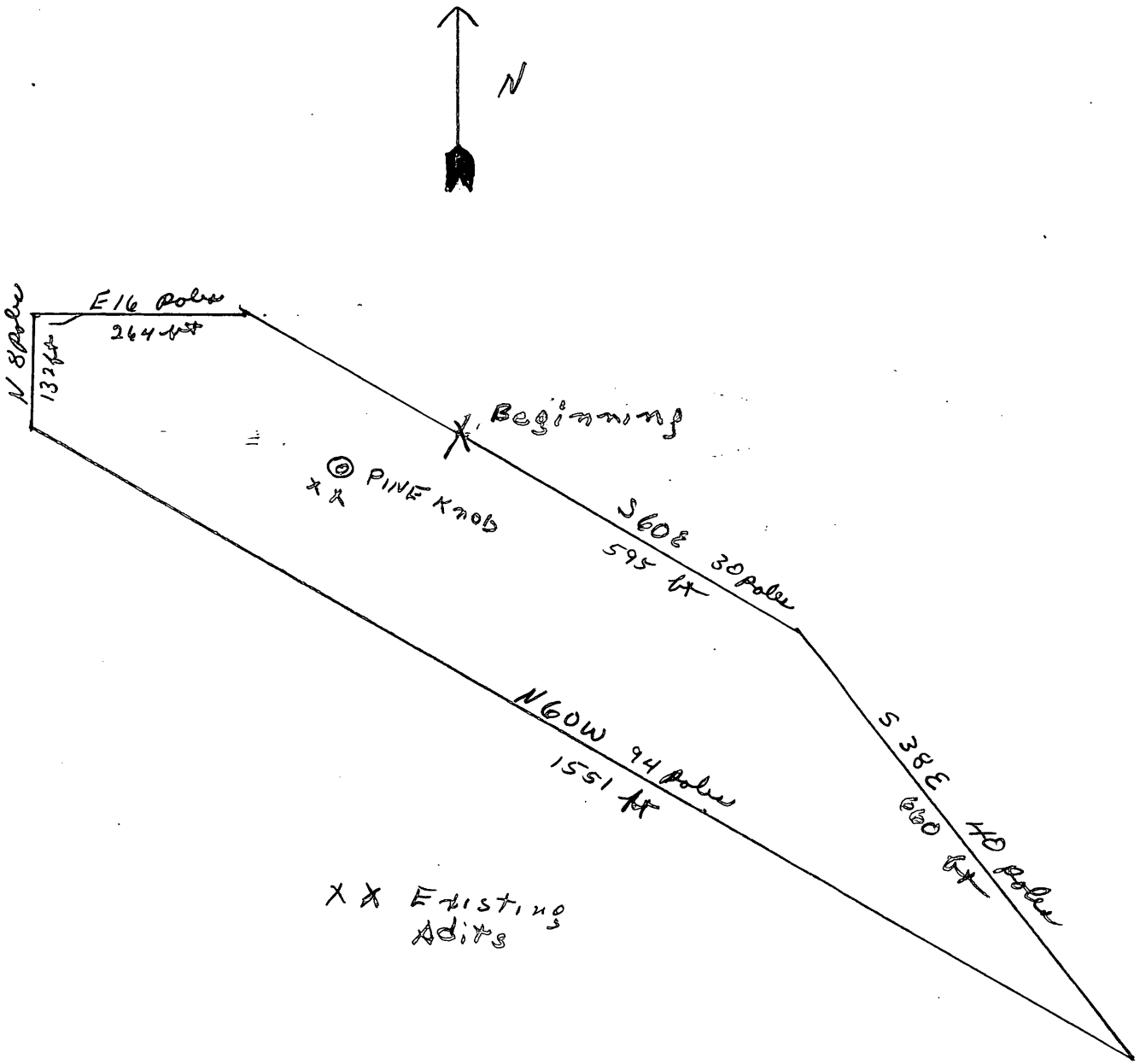
He said he would get
above from Applic.

Rec. from C B Collins
5/5/52
SF

1" = 200 ft

Kelly Mine
PLAT
DMEA 2255
Toe River Mining Co.

Rec. 5/6/52
SAF.



S. L. Phillips

UNITED STATES
DEPARTMENT OF THE INTERIOR
DEFENSE MINERALS ADMINISTRATION
~~WASHINGTON 25, D. C.~~
Room 13, Post Office Building
Knoxville, Tennessee

March 24, 1952

Memorandum

To: Frank E. Johnson, Chairman, Operating Committee

From: Field Team, DMEA - Region VII

Subject: DMEA-2255, Toe River Mining Co., Pine Knob or Kelly Mine. (mica)

Transmitted herewith are 4 copies of field examination report on the subject application.

The Field Team concurs in the recommendation in this report.

Robert A. Laurence

Robert A. Laurence, Executive Officer
DMEA - Field Team, Region VII

Wm A Beck

Wm. A. Beck, for V. J. Lynch
U. S. Bureau of Mines

Department of the Interior
Defense Minerals Administration
MAR 2 0 1952

ON-SITE EXAM. REPORT

UNITED STATES
DEPARTMENT OF THE INTERIOR
OSCAR L. CHAPMAN, SECRETARY

DEFENSE MINERALS EXPLORATION ADMINISTRATION

REPORT OF EXAMINATION BY FIELD TEAM, REGION VII

ON

DMEA-2255

PINE KNOB or KELLY MINE
Franklin, Macon County, North Carolina

DEPARTMENT OF THE INTERIOR
Defense Minerals Administration
MAR 20 1952

By

Kefton H. Teague, Geologist
U. S. Geological Survey

March 3, 1952

Reviewed by
DMEA OPERATING COMMITTEE
3-31-52
(date)

DMEA - 2255

Field Team Report on Pine Knob or Kelly Mine
Franklin, Macon County, North Carolina

The Pine Knob or Kelly Mine is 7 miles airline and 11 miles by road N 70° E of Franklin, Macon County, North Carolina. It is 2000 feet S 26° E of Mountain Grove Church and along the southwest slope of Pine Knob.

At this place a series of shallow pits and trenches and short drifts were made on a pegmatite about 50 years ago. No work has been conducted since that time. It is reported that considerable good mica was obtained during this early period of prospecting, but at present no pegmatite in place is exposed.

From the distribution of the caved pits it would appear that the pegmatite trends to the north or northwest. The "old timers" report that the pegmatite was about four feet thick where worked. Both the biotite gneiss country rock and pegmatite are deeply weathered as indicated from the dump material. Considerable lumps of milky quartz, mica, and kaolin occur in the dumps.

The mica in dumps and around the caved openings is flat, hard, clear, splits well and is of ruby color. Much of it is in small sizes.

It is recommended that the deposit be prospected in two stages. Stage one should be directed towards stripping the pegmatite, so that its features can be examined and appraised. If stage one exposes sufficient mica-bearing pegmatite, stage 2 should be undertaken. Stage 2 should consist of sinking two 30-foot test pits on the mica-bearing portion of the dike to explore its possibilities at depth.

Estimated Costs:

Stage I

To consist of a bulldozer trench along the pegmatite 150 feet long x 25 feet deep on the uphill face x 30 feet wide at bottom of cut - approximately 4,000 cubic yards.

Fixtures and Improvements.

None

Operating Equipment

To be rented:

1 - Bulldozer, 120 hrs. @ $12.50/hr * $1500.00

* Cost includes operator, fuel, oil and repairs.

To be purchased:

Hand tools and miscellaneous	$ 125.00

Furnished by Operator:
None

Labor and Supervision

2 - laborers @ $1.00/hr. for 15 shifts	240.00
1 - Supervisor @ $1.50/hr. 15 shifts	180.00

Rehabilitation and Repairs
None

Estimated cost of Stage 1. $2,045.00

Stage II

Sinking 2 thirty foot test pits.

Fixtures and Improvements
None

Operating Equipment.

To be rented:

1 - Compressor, 1/, 2 mos. @ $200/mo.	400.00
1 - Jackhammer, 1/, 2 mos. @ $ 60/mo. drill	120.00

To be Purchased

Supplies (gasoline, dynamite, caps, drill steel, drill bits, etc.)	600.00

Furnished by Operator
None

Labor & Supervision

1 - Miner-foreman, 45 shifts @ $1.50/hr.	540.00
1 - Miner's helper, " " @ $1.00/hr.	360.00
2 - Laborers, " " @ $1.00/hr.	720.00
Insurance and contingencies	375.00

Rehabilitation and Repairs
None

Estimated cost of Stage II.... $3,115.00

1/ Does not include gasoline and oil, but includes repairs

Total estimated cost of Stage I & II $5,160.00

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF MINES
WASHINGTON 25, D. C.

April 18, 1952

Memorandum

To: Nonmetallic Minerals Division
Defense Minerals Exploration Administration

From: W. F. Dietrich, Chief
Ceramic and Fertilizer Materials Branch

Subject: DMEA-2255: Toe River Mining Company, Pine Knob (Kelly) Mine (Mica).

I concur in the field team's report of March 3, 1952 on subject application and recommend that a contract be prepared in conformity with the proposed exploration program in the amount of about $5,200.

W. F. Dietrich

W. F. DIETRICH

DEPARTMENT OF THE INTERIOR
Defense Minerals Administration
RECEIVED
APR 21 1952

IN REPLY REFER TO:

G-MD-JJN

UNITED STATES
DEPARTMENT OF THE INTERIOR
GEOLOGICAL SURVEY
WASHINGTON 25, D. C.

DEPARTMENT OF THE INTERIOR
Bureau of Mines

April 2, 1952

APR 3 - 1952

Memorandum

REVIEW OF FIELD TEAM REPORT ON APPLICATION DMEA-2255 (Mica).
To: Non-Metallic Minerals Division, DMEA.
From: J. J. Norton, U. S. Geological Survey.
Applicant: Toe River Mining Co.
Name of property: Kelly (Pine Knob)
Location of property: 7 miles east of Franklin, North Carolina.
Field team's recommendation:

2 stage exploration:

1. 150 foot bulldozer trench
2. 2 30-foot pits

Comments: Pegmatite is not exposed, but evidence from the dump and distribution of old workings indicate exploration is worth undertaking.

ACTION SUGGESTED:

Follow field team's recommendations.

J. J. Norton

J. J. Norton

FILE COPY
SURNAME:

SAFeitler
Houk

UNITED STATES
DEPARTMENT OF THE INTERIOR
DEFENSE MINERALS ADMINISTRATION
WASHINGTON 25, D. C. 600

FEB 1 8 1952
FEB 1 9 1952

Mr. Robert A. Laurence
Executive Officer
DMEA Field Team, Region VII
Room 13, Post Office Building
Knoxville 1, Tennessee

Subject: Docket No. DMEA-2255 - Mica
Kelly Mine (Pine Knob)
Eight Miles East of Franklin
Macon County, North Carolina

Dear Mr. Laurence:

The above application leaves much to be desired in the way of completeness and sensible mining approach, but it is felt that much time can be saved and inconclusive correspondence avoided by a Field Team examination.

According to the records, this mine produced a small amount (111 pounds) of ruby mica during the last war. It will first be necessary to determine whether exploration is warranted. If the Field Team finds that there is reasonable possibility of making a discovery of strategic mica, a program should be submitted as part of the report.

It is understood that examinations for applications which supply insufficient information will be used by you as a back-log and undertaken as your work load permits. This procedure should result in more satisfactory handling of these cases.

Sincerely yours,

(signed) FRANK E. JOHNSON

(Lt) E.P. 2/19/52

Chairman, Operating Committee
Defense Minerals Exploration
Administration

Enclosures 10

Approved:

C. H. Johnson (Lt)
For Bureau of Mines

L. P. Thomas (Lt)
For Geological Survey

SAFeitler:gad
2/15/52
Copy to: Admin. Reading File
Mr. Dietrich, 3526
Mr. Norton, G-228, GSA Bldg.
Docket File
Mr. Houk

FILE COPY
SURNAME:

UNITED STATES
DEPARTMENT OF THE INTERIOR
DEFENSE MINERALS ADMINISTRATION
WASHINGTON 25, D. C. 600

FEB 19 1952

Feitler
Houk
Thayer
Supar
Johnson

Toe River Mining Company
c/o John Phillips, Manager
Spruce Pine, North Carolina

Subject: Docket No. DMEA-2255 - Mica
Kelly Mine (Pine Knob)
Eight Miles East of Franklin
Macon County, North Carolina

Gentlemen:

Your application is being referred to Mr. Robert A. Laurence, Executive Officer, DMEA Field Team, Region VII, Knoxville, Tennessee, for further information.

Sincerely yours,

C. O. Mittenderf (for) S.L.

Acting Administrator
Defense Minerals Exploration
Administration

SAFeitler:gad
2/15/52

Copy to: Admin. Reading File
Docket File
Mr. Norton, G-228, GSA Bldg.
Mr. Dietrich, 3526
Mr. Houk

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF MINES
WASHINGTON 25, D. C.

December 17, 1951

Memorandum

To: Lawrence Houk
Defense Minerals Exploration Administration

From: W. F. Dietrich, Chief
Ceramic and Fertilizer Materials Branch

Subject: Toe River Mining Company's application (DMEA-2255) for aid in exploring their Macon County property for strategic mica.

I concur in the recommendation by Donald H. Kupfer regarding subject application. No record of a mine by the name given.

In addition, applicant should provide a sketch of the proposed exploration with enough dimensional data to permit an estimate of the yardage of overburden to be removed and the feet of drilling and/or open cut work in the pegmatite. No data are given to sustain the estimate of $18,830.

W. F. Dietrich
W. F. DIETRICH

Enclosure

In view of the additional information I suggest referral to the field team for examination.
E Robert Rutkhon

C. BRASWELL COLLINS
ATTORNEY AT LAW
THE ARLINGTON BUILDING
1025 VERMONT AVENUE, N. W.
WASHINGTON 5, D. C.
NATIONAL 7808

DEPARTMENT OF THE INTERIOR
Defense Minerals Administration
RECEIVED
DEC 14 1951

December 13, 1951

Mr. Lawrence G. Houk
Room 4637
Defense Minerals Exploration Administration
Washington 25, D. C.

Dear Mr. Houk:

Your cooperation in bringing to my attention the deficiencies in the Toe River Mining Company application, at this early date, is greatly appreciated.

Mr. John Phillips, a general partner and manager of the partnership, informs me that I misunderstood his description of the mine. That, in fact, the mine is located eight miles east of Franklin, on the Ellijay creek. Therefore, would you please consider this letter as amending the answer to question 11 to read:

11. Kelly Mine (Pine Knob).

12. Mine is located eight miles east of Franklin, Macon County, North Carolina.

Mr. Phillips also informs me that he has no geological training, and that he has no idea as to the extent of the mica content of the pegmatite dyke, or its outline. He informs that offtimes, in that area, it is not unlikely for several dykes to lie in a cluster, either adjoining each other or being just a few feet removed from each other. It might be possible that this mine contains more than one pegmatite, or it might be possible that it contains only a small one.

Therefore, he has requested the assistance of the Government in helping him and his partnership determine the mica content of this known ore body, and to seek the Government assistance by its Geological Survey Office and the United States Bureau of Mines information as to the likelihood of there being more pegmatites within the immediate vicinity of this existing mine.

He relates that past operators have found mica up to Size 3 in this mine, and that its color is in the so-called "ruby" classification, as the color ranges from a light brownish-yellow to a deep tan or brown, and that it contains very little mineral stain, with some books having a slight amount of clay stain.

Again, let me thank you for bringing to my attention these deficiencies in the application.

Respectfully yours,

C. Braswell Collins

C. Braswell Collins

CBC/amb

Calhoun
Na 7808

IN REPLY REFER TO:
G-MD-DHK

UNITED STATES
DEPARTMENT OF THE INTERIOR
GEOLOGICAL SURVEY
WASHINGTON 25, D. C.

12/13 asked for this information by phone.

December 11, 1951

Memorandum

To: Lawrence Houk, Defense Minerals Exploration Administration

From: Donald H. Kupfer, U. S. Geological Survey

Subject: Toe River Mining Co.'s application (DMEA-2255) for aid in exploring their Macon County property for strategic mica.

The Toe River Mining Company's application, DMEA-2255, proposes to spend $18,830 to explore some property near Franklin in Macon County, North Carolina. The applicants are apparently confused as to the location of their property, and should be asked to clear the matter up before the loan is considered further.

The applicant states that the "Possibilities are a matter of record with USBM or USGS," but we have no record of a mine by the above name, which is the only name given by the applicant (question 11, form ME-103). The applicants map indicates a location for the mine that does not correspond to that of any mine or prospect in our records.

The applicant has attached a legal description of the "Kelley mine" at the end of the report and Lassie Kelley has signed the lease. This may be the same as the Pine Knob mine (See maps of Bull. 49, N. Car. Dept. Conserv.), but if so:

(1) It is 8 miles from Franklin, not one mile
(2) It produced 111 pounds of Ruby mica during 1942-1945
(3) We have no description of the property in our files
(4) The applicant's better find out where this mine is before they try to operate it.

The applicant should also be asked to describe the property and its potential value without any reference to material that he believes might be in Government files. The description should include: (1) Past production; (2) Workings; (3) Description of mica; (4) Description of the pegmatite body -- length, thickness, etc.; (5) Reasons for applicant's belief that the mine will produce strategic mica.

Donald H. Kupfer

Donald H. Kupfer

Further data obtained by phone. I want prefer denial, but will go along with field examn. Field team should show Phillips how to acquire data & further needed in our applications. 12/17 Morton

Subject: DMEA-2255
Re: Exploration Loan
Toe River Mining Co.

Mr. John Phillips, Manager
Toe River Mining Co.
Spruce Pine, North Carolina

My dear Mr. Phillips:

This will acknowledge receipt of your application dated November 21, 1951 for a loan under the Defense Production Act of 1950.

Your application was assigned Docket Number DMEA-2255 and referred to the Non-Metallics Branch.

Kindly refer to DMEA-2255 in any future correspondence relating to your application.

Sincerely yours,

ROBERT E. ADAMS

Robert E. Adams, Chief
Reports & Records Unit

7862

EA 2255 - Jackson Mining Co.

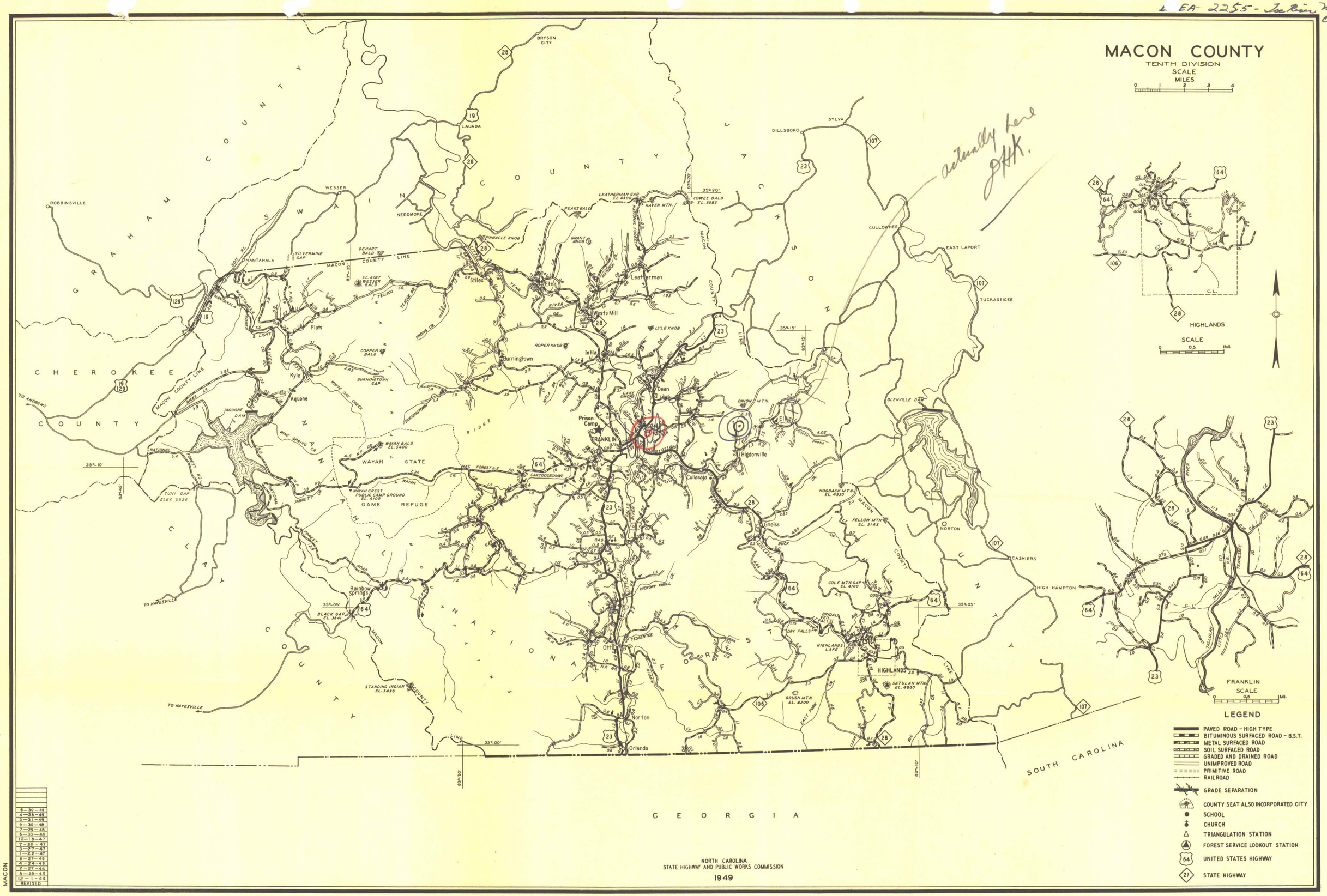
MACON COUNTY

TENTH DIVISION

SCALE MILES

0 1 2 3 4

actually here JHK.



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6-27-46
4-24-46
2-27-46
8-29-45
12-1-44
REVISED

NORTH CAROLINA
STATE HIGHWAY AND PUBLIC WORKS COMMISSION

1949

MACON